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Italy's Grim Warning: Expect More Violence In Wake of Bombings

By Barry James International Herald Tribune

The government warned Italians on Wednesday to brace for more violence after car bombings in a deadly "hammer blow to art and religion" devastated two historic churches in Rome and an art museum in Milan.

ing Italy's destabilization, but neither he nor Mr. Mancino would elaborate.

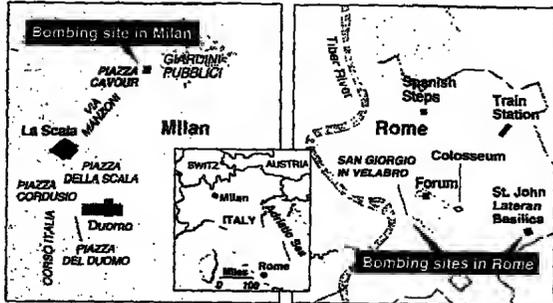
The bombings coincide with Italy's biggest political scandal since World War II, in which five former prime ministers, a host of former cabinet members and about 2,700 lesser politicians, officials and businessmen have been accused, indicted or jailed in a massive corruption investigation.

Some officials blamed the Mafia for the violence. "It's a political-mafioso warning," said the mayor of Milan, Marco Formentini. "I don't see how to read it otherwise."

In Rome, the bombs severely damaged the basilica of Saint John Lateran and a seventh-century Romanesque church, San Giorgio in Velabro, close to the Forum.

The lowering basilica of Saint John is the church of Pope John Paul II in his capacity as bishop of Rome, and some commentators speculated that the bombing was revenge for his recent attack on the Mafia.

"They've tried to deal a hammer blow to art and religion," said Virgilio Levi, a spokesman for the basilica. The pontiff, visiting the dam-



aged churches, condemned the attacks as atrocious and cowardly, and expressed his profound grief for the victims. "It is not with contempt for God and man that one can build a human and civilized society," he said.

In Milan, the bombers left a device in a car parked outside the museum of modern art, close to the cathedral and La Scala opera house. The blast — which killed three firemen, a policeman and a man sleeping in a nearby park — gouged a crater in the sidewalk and touched off a gas-main fire that shot flames high into the sky throughout the night. The explosion turned a wall of the museum into rubble, and scattered bits of the car.

As a new day dawned on the devastation, tens of thousands of people congregated along the avenues of Italy's financial capital in a

spontaneous demonstration of anger and revulsion. Many carried hastily painted signs reading "Democrazia" — democracy.

The demonstrators packed into a city square called Piazza Fontana, where in 1969 a bomb blast killed 14 people and touched off a 20-year series of murky attacks to destabilize the state. The Piazza Fontana bombing has never been solved.

In Rome, following a peaceful assembly outside City Hall, about 400 demonstrators marched to the prime minister's office, where some scuffling occurred.

Many officials believe a new and sinister alliance of criminals and disgraced politicians are fighting to destabilize a society weakened

See ITALY, Page 4

NATO Air Cover Due Next Week for UN's Bosnia Troops

Timing Hinges On Controllers For Bomb Runs

Flights Aimed At Prompting Deal in Geneva

By Rick Atkinson Washington Post Service

BERLIN — The lack of experienced forward air controllers on the ground with United Nations troops in Bosnia-Herzegovina is a significant factor affecting the timing and target selection of any attack by NATO warplanes, military officials in Europe said Wednesday.

Even if the UN requests retaliation for recent attacks on French forces in Bosnia, such strikes might have to be delayed for several days or reconfigured to compensate for the shortage of controllers, according to one senior NATO officer.

NATO plans to use forward air controllers — or FACs as they are called in the military — to direct strikes against Serbian positions with laser designators that guide bombs to their targets.

Roughly 100 UN controllers have been training with NATO pilots in Germany and elsewhere since mid-June, but the UN has been slow to deploy them to Sarajevo and other areas in Bosnia.

Although some attack planes are capable of designating targets for themselves with their own lasers — a common practice in the Gulf War — NATO commanders prefer ground-based designators in the mountainous Bosnian terrain. Moreover, radio communication between controllers and pilots must be precise in order to avoid civilian casualties or hitting UN positions.

"You want somebody who really knows how to do this," one officer commented. "Especially in an area like Sarajevo, you want to be real sure where you're putting those bombs."

Some of the controller teams are already in Bosnia but not necessarily in areas where pilots need them. They also require additional training once they get in place.

The controllers must speak English to communicate with the pilots, as well as the language of the UN unit to which they are attached.

The United States and several allies committed themselves during the spring to protect 9,000 UN forces trying to guard civilian huzens in Sarajevo, Srebrenica, Zepa, Gorazde, Tuzla, and Bihaq.

Approximately 70 American, French, British and Dutch aircraft began deploying to Italy in mid-June as part of the agreement.

Some of the aircraft, such as U.S. Air Force AC-130 Specter gunships, fire cannons or other conventional munitions. The pinpoint missions, however, are accomplished with laser-guided bombs.

Pilots have been training at ranges around Italy and have been considered ready for combat since July 22, pending the positioning of the controllers.

"We're in a sort of a strange situation in that UN forces select the targets and decide where and when they want them hit, and then we provide the planes and bombs," the NATO officer added.

In NATO's Brussels headquarters, as well as in the Allied Forces Southern Europe headquarters in Naples, there is considerable concern about errant bombing.

The French military said the most recent fire against French troops may have been unintentional.

Several artillery shells landed near a detachment of 40 soldiers setting up a base at Sarajevo.

By Joseph Fitchett International Herald Tribune

NATO warplanes are expected to start providing air cover for United Nations peacekeeping forces in Bosnia by Monday or Tuesday, Secretary-General Boutros Boutros Ghali said Wednesday in New York.

U.S. and European officials made it clear that such flights would also be aimed at encouraging the United States government to encourage a peace settlement and to demonstrate international determination to enforce it.

"We're tip-toeing toward military action," a U.S. official said, "but nobody wants to send an encouraging signal to the Bosnians or a confrontational one to the Serbs (that might derail a

The three warring factions debate the creation of a confederation of ethnic republics. Page 4.

political deal in Geneva." He was referring to efforts to negotiate a settlement among warring Muslims, Serbs and Croats.

Reflecting these political hesitations, officials of the North Atlantic Treaty Organization said that any intervention required a formal request from the United Nations. "NATO's done its job," said an official at allied headquarters. "Now it's up to the United Nations."

But Mr. Boutros Ghali said that some time was still needed to make final arrangements, including an agreement on the rules of engagement and the deployment of more personnel to guide air attacks.

Once UN headquarters approves an initial use of air power, fresh attacks can be requested on the spot from NATO by the UN command in Sarajevo.

While this threat is taking shape, Western governments and the UN leadership appear comfortable with a few days' delay, partly to allow more time for negotiations in Geneva to produce a peace plan.

Even under the pressure of Serbian shelling of French peacekeepers in Sarajevo on two occasions in recent days, France and other allied governments are also anxious to fine-tune the system for coordinating NATO air power with UN ground forces. Mixed signals are blamed for costing lives in the UN intervention in Somalia.

The Bosnian air-cover plan was approved in June by the Security Council, but its implementation requires approval by Mr. Boutros Ghali after consultations with the United States, which is providing the air power, and France, which has the most troops on the ground.

President Bill Clinton said Wednesday that the United States would "seriously consider" sending its planes into action if it received a formal request from France.

Although Mr. Clinton said that Washington had not yet been asked to do that, this seemed a

See NATO, Page 4



Fire fighters in Milan on Wednesday examining the wreckage of a car near the site of an explosion that killed five persons and destroyed a portion of the museum of modern art.

Japan's 'Not-LDP' Joins to End Ruling Party Reign

By T.R. Reid Washington Post Service

TOKYO — Japan's fuzzy political picture checked out sharper focus Wednesday as seven political parties agreed to form a coalition government excluding the Liberal Democratic Party, which has run the government for 38 years.

1955. But that result was so stunning for Japan that the seven parties, known collectively as the "Not-LDP," had to carry on long negotiations to reach agreement.

Even after its election setback, the Liberal Democratic Party is still the largest single party in Japan, and its leadership had been scrambling to find ways to create at least one more cabinet. These plans evidently died Wednesday when two centrist spin-offs of the party, the Japan New Party and the New Harbinger Party, agreed to side with the "Not-LDP" coalition.

After days of rumors, the plan for the next government was made public in one of those decorous rituals that seem essential in this polite society even at a time when the established political order is in shreds.

Morihiro Hosokawa, head of the Japan New Party, and Masayoshi Takemura, head of New Harbinger Party, paid a formal visit to the Liberal Democratic Party headquarters. The two were met with stately bows at the door, and they bowed deeply in return.

They were ushered to a formal meeting room, where uniformed "office ladies" served green

tea in fine china bowls and sweet bean cakes wrapped in bamboo leaves.

Only then did the two visitors drop the news that — as Mr. Hosokawa related the message later — "From now on, party relations will take the form of the seven-party coalition versus the LDP." To politicians, who can count the votes, this means that the Liberal Democratic Party will be shut out of the next cabinet.

Assuming that none of the coalition members walks away in the meantime, the cabinet

See JAPAN, Page 4

Germans Poised to Lower Discount Rate

Compiled by Our Staff From Dispatches

FRANKFURT — The Bundesbank appears all but certain to cut its key discount rate on Thursday in an effort to support the fragile European Monetary System in general and the French franc in particular, economists and currency analysts said.

They said a sharper-than-expected reduction in a money market interest rate on Wednesday made a cut of around half a percentage point in the Bundesbank's 6.75 percent discount rate almost inevitable.

The Bundesbank move calmed market fears about the EMS exchange-rate mechanism. The mark fell to 3.4063 French francs in London from 3.4150 on Tuesday, pulling away from its ERM ceiling of 3.4305. The Bank of France reportedly bought francs to help its currency.

The dollar lost some of its allure as a safe haven, even against the mark, because of the easing of tensions. It fell to 1.7185 Deutsche

Table with 2 columns: Dow Jones (Down 12.01, 3,553.45) and Trib Index (Up 0.18%, 103.58)

Table with 2 columns: The Dollar (New York, West, Swiss, previous close) and other exchange rates (DM, Pound, Yen, FF)

marks from 1.7260 and to 5.8465 French francs from 5.8945.

Last week the Bundesbank gave written backing for the French currency in a statement issued by French and German financial authorities. That commitment is expected to be turned into action with a rate cut Thursday at the last regular meeting of the central bank's

policy-making council before its summer break. It usually meets every second Thursday but will not convene again until Aug. 26.

A rate cut at Thursday's meeting — sorely needed to support weak currencies in the European Community's exchange-rate mechanism, particularly the French franc — would come although German inflation and money supply growth are well beyond Bundesbank targets.

An easing now would thus bring into question the German central bank's resolve in fighting inflation, analysts noted.

But reduced German rates would make mark-denominated money-market investments less attractive and would help stem a flow of funds out of the French franc and other weak ERM currencies.

"The Bundesbank will cut rates with a view to stabilizing the exchange-rate mechanism," said Thomas Mayer, economist at Goldman

See RATES, Page 10

Kiosk Talks Boycotted In South Africa

JOHANNESBURG (Reuters) — Talks on South Africa's transition to democracy and the end of white rule resumed Wednesday without key black and white conservatives.

An end to 350 years of white domination could come next month if the government and the African National Congress push through their timetable for installing a multi-racial transitional body with a veto over the existing white cabinet. But the boycott by the Inkatha Freedom Party, the KwaZulu black homeland and the white Conservative Party, which all seek virtual autonomy, has put the country's political future in doubt.

Book Review Bridge Crossword

Advertisement for Volkswagen Presse featuring a photo of Ferdinand Piëch and text: VW's chief, Ferdinand Piëch, had some new names for General Motors. Page 9.

Visit Cheap, Friendly, Troubled Ulster? A Tough Sell That Works

By Eugene Robinson Washington Post Service

BELFAST — It's a tough sell. Come spend your vacation in lovely Northern Ireland.

Come to the home of the Irish Republican Army? To the home of Protestant paramilitary groups? To Belfast, where the biggest downtown hotel has most of its windows covered with plywood because of a terrorist bombing this spring? Where mobs rioted for two nights this month, burning cars and looting shops?

Unlikely as it may sound, the Northern Ireland Tourist Board is having some success in bringing visitors to the scene of one of the world's longest-running sectarian conflicts. Despite what are known as the Troubles, a record number of visitors came to Northern Ireland last year. And, in a total of 1.25 million visitors, nearly 250,000 came on vacation.

Most of the rest came on business or to visit friends and relatives.

Persuading people to visit the battlefield of a low-intensity war is not an easy task. Northern Ireland is cheap, friendly and relatively accessible. The countryside is green and gentle. It could be tourist heaven — except for a few nagging details.

"It looks like a very, very difficult job," the spokeswoman for the tourist board, Anne Moore, said of its mandate. "Obviously image is our worst problem, because of the Troubles. We just have to accept that, be honest about it. We say, 'Yes, there is a problem here.'"

Tourism officials warn visitors not to leave their cars unattended in the downtown business districts of Belfast or other cities, lest they be stolen and converted into car bombs. On May 18, the Irish Republican Army set off a car

bomb that wrecked part of Belfast's opera house and turned the Europa Hotel into an enterprise zone for glaziers.

Earlier this month, the police found and defused another bomb in Belfast that could have damaged a wide area. Smaller cities have also been hit by car bombs this year.

Neither side in the conflict has a policy of attacking tourists.

"The terrorists can attack economic targets, but they risk alienating their own people," Miss Moore said. "It's a balance they have to strike."

Enough people visit to bring Northern Ireland about \$250 million a year and create more than 10,000 jobs. Tourism is already one of Northern Ireland's top five industries, and the trend is up.

A small number of tourists even come not despite the Troubles, but because of them. The tourist board drew

criticism for pointing this out in a recent report, but the fighting between Catholic republicans and Protestant loyalists is a bit of a magnet.

The tourist board pushes more traditional fare, such as Northern Ireland's golf courses, some of the best fishing in Europe and such attractions as the Giant's Causeway, a bizarre rock formation on the northern coast.

The board encourages Irish-Americans to come trace their roots, and has just begun special nostalgia tours for U.S. veterans who were stationed here during World War II.

More than four-fifths of Northern Ireland's visitors come through Ireland, the southern part of the island.

Ireland and Northern Ireland have begun to join forces, marketing the two regions as a package and setting up joint booths at tourist fairs around the world.

See BORDER, Page 4

WORLD BRIEFS

Tory Area Seems Ready to Give Major a 'Kick in the Pants'

By Richard W. Stevenson

New York Times Service

CHRISTCHURCH, England — Waiting at a neighbor's home to meet the Liberal Democratic candidate for Parliament in this seaside town, Stanley Henrywood said that after 14 years of Conservative Party government he thought the country needed a change.

in Parliament, is far from alone among traditional Conservatives in his readiness to switch allegiance. Having held Christchurch's seat in the House of Commons since 1910, usually by wide margins, the Conservatives appear to be on the verge of losing it, perhaps in a landslide.

A national Gallup Poll published by The Sunday Telegraph this week showed Labor with the support of 46 percent of voters, compared with 31 percent for the Conservatives and 20 percent for the Liberal Democrats.

much support. Polls published by newspapers last week showed the Liberal Democrat, Diana Maddock, with a lead of as much as 2 to 1 over the Conservative candidate, Robert Hayward, in Christchurch.

Ukraine Cuts Missiles Aimed at U.S.

WASHINGTON (WP) — Breaking a deadlock over the fate of former Soviet nuclear weapons on its soil, Ukraine has begun dismantling 10 of its missiles aimed at the United States, a senior U.S. defense official disclosed Tuesday.

Shooting Disrupts Caucasian Truce

TBILISI, Georgia (AP) — Government troops and Abkhazian separatists accused each other of violating a cease-fire almost immediately after it was supposed to go into effect Wednesday. Abkhazian officials said the Georgian Army shelled rebels near the village of Esbera just 35 minutes after the cease-fire began.

Nigeria Factions Forced Into Accord

LAGOS (AP) — Nigeria's two political parties bowed to the military ruler Thursday and agreed to form an interim government that apparently excludes the businessman who won the presidential election in June.

Iraq Balks on Monitoring Agreement

BAGHDAD (Reuters) — Iraq said on Wednesday that it had not reached final agreement with the United Nations on long-term arms monitoring.

North Korea Missile Test Confirmed

WASHINGTON (AP) — North Korea has tested an intermediate-range missile capable of hitting Japan, the director of central intelligence, R. James Woolsey, confirmed Wednesday. In testimony before a House Foreign Affairs subcommittee, he said the missile could carry nuclear, chemical and biological payloads as well as conventional warheads.

U.S. General Opposes Vietnam Curb

HANOI (APF) — Lifting the U.S. economic embargo against Vietnam would help — not hurt — the process of accounting for U.S. servicemen missing from the war, the U.S. general in charge of the effort said Wednesday.

Berliner Guilty of Cold War Spying

BERLIN (AP) — A German who worked for the U.S. forces in Berlin was convicted of espionage Wednesday for giving agents from the Soviet bloc information about U.S. troop movements between 1980 and 1992.

TRAVEL UPDATE

A million travelers are expected to jam Paris rail terminals this weekend as the country's traditional vacation period begins. Highways to the Riviera and the south will also be heavily congested on Aug. 1. (AP)

Paris, Citing Unreliability, To Withdraw 9 AIDS Tests

PARIS — The Ministry of Health has ordered the withdrawal from the market of nine AIDS-detection methods, saying that they are less reliable than others.

Margaret, Duchess of Argyll, Dies at 80

LONDON — Margaret, Duchess of Argyll, who was at the center of one of Britain's most sensational divorce cases, died here Monday after a series of strokes, her friends said. She was 80.

Lawmakers Dispute Yeltsin's Dismissal Of Security Chief

Compiled by Our Staff From Dispatches

MOSCOW — Leaders of the Russian parliament declared Wednesday they had annulled a presidential decree dismissing the minister of security, Colonel General Viktor P. Baranikov, saying that only the legislature had authority to do that, the Itar-Tass news agency said.

the parliament had a legal right to revoke Mr. Yeltsin's decision to remove General Baranikov. Parliament, led by Mr. Yeltsin's archrival, Russian I. Khasbulatov, is locked in a power struggle with the president and has seized every opportunity to snipe at him.



A woman from Ukraine waiting Wednesday outside a Moscow train station for a solution to her problem. Because she was classified as a foreigner, she missed the Monday deadline for changing her rubles to new currency and thus lacked money to buy a ticket back to Kiev.

Religion, in Multiple Forms, Makes a Comeback in Russia

By Serge Schmemmann

New York Times Service

MOSCOW — The venues are quintessentially Soviet — the Lenin Stadium, the October movie theater, the Locomotive sports complex — but what goes on there

would have old Bolsheviks turning in their urns. Thousands pack Lenin Stadium to hear the Reverend Billy Graham, then a few weeks later Jack Finley, then Morris Cerullo. At the cavernous October Theater on the

seamy New Arbat Street, just over a gaudy cat dealership, an American charismatic preacher named Bob Wilcox calls the sufferers forward and cries out: "I speak to back pain! In the name of Jesus, I command you to go!" A Russian interpreter dutifully echoes Mr. Wilcox's gesture and rhythm, and the people stretch out their hands in ecstatic worship.

Christ cruise down the Volga spreading the Word and passing out free Bibles. Mourners circulate in buses and subways. The Children of God, their roots among American hippies of the 1960s, open a chain of missionary communes under the name "Semva" ("Family").

The Russian Orthodox Church has similarly found that of the millions who have been baptized in recent years, a step many Russians now view as a mandatory rite of passage, only a small fraction still attend church.

With the support of the church, parliament recently passed a law requiring foreign religious organizations to register with a special government board, which has not yet been formed. The law has been assailed by human-rights defenders and Western missionaries as a retreat from the freedom of conscience formally granted in 1991.

Herald Tribune CONFERENCES 1993 INTERNATIONAL BUSINESS OUTLOOK Oxford September 15-18 OIL & MONEY London October 25-26 THE FUTURE OF PRIVATIZATION IN EUROPE Paris November 9-10 MALAYSIA: POWERHOUSE OF THE 90s Kuala Lumpur November 14-16 ASIA-PACIFIC: MERGING BUSINESS & THE ENVIRONMENT '93 Bangkok December 1-3

When Russia started to open, we wanted to get in as quickly as possible. Peter Youngren, founder of the Moscow Christian Center. Nobody knows how many adherents they have — filling a stadium is no great feat among people still intrigued by anything from abroad, especially not with the bold advertising, free admission, free Bibles, rock bands, and the hint of foreign travel.

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Adding to the draw, communism acclimated the people to a simple, unified code of behavior and a communal mentality, while at the same time it never rooted out the Russian deep-rooted superstitions and penchant for mysticism. The Communists tried to co-opt these instincts with their own set of pseudo-religious rituals. For missionaries, this was prime turf. "When Russia started to open, we wanted to get in as quickly as possible," said Peter Youngren, founder of the Moscow Christian Center.

STATESIDE / A FLOOD VICTORY, MAYBE

In Kansas City, Joy as Flood Crest Passes Harmlessly

By B. Drummond Ayres Jr.
New York Times Service

KANSAS CITY, Missouri — The Missouri and Kansas rivers, rising in muddy concert to the highest crests known, worked their worst on the levees and flood walls of this city and neighboring Kansas City, Kansas.

Except for a few minor leaks, the protective berms and barriers held off the onslaught. At least for the moment.

"We just might have won," said Larry Black, a water-flow specialist for the National Weather Service, looking over river readings that documented the cresting.

"We could still get another surge or two if it rains, and you never know when one of those soggy levees is going to give way," he added. "But at first reading, it looks like we just might have won."

If so, the victory will go down as one of the few

people have achieved in the summerlong battle across nine Midwestern states with the great deluge of 1993.

Elsewhere, the flooding has been — and continues to be — just about the worst ever experienced in this part of the country, causing at least 43 deaths, driving more than 50,000 people from their homes and damaging or destroying at least \$12 billion in crops, buildings and possessions.

Other Missouri cities, like St. Louis, Jefferson City and St. Genevieve, still face major flooding threats. And farms and villages in many parts of Kansas, Iowa and Illinois are still under water.

Still, Kansas City seems to have escaped for the moment and that was all that mattered to Charlie Sutera, owner of Sutera's Restaurant, as he looked out the door of his establishment Tuesday afternoon toward one of the straining levees at the convergence of the Missouri and Kansas.

The water was within inches of the top. But for

the first time in days, it was not getting any higher.

"The police told us we'd better head for higher ground," Mr. Sutera said. "But I think the worst is over. I believe the worst is over. I'm a born optimist. I'll stick and trust that levee and use the rest of the day to get ready for tomorrow. Got some painting to do that I've been putting off. You get a break, you take it."

Disaster officials warned that while the two rivers that merge here appeared to have peaked, the river levels would not start dropping for at least another day.

Officials added that passing summer thunderstorms might cause a quick surge or two on either or both of the rivers over the next several days.

"When you're dealing with a river crest, you just take it one day at a time," said George Hanley, chief spokesman in Kansas City for the United States Army Corps of Engineers. "A big crest doesn't drain off in

an afternoon. It kind of rises, levels off for a while, then begins to fall."

House Votes Flood Aid

The House of Representatives narrowly approved a \$2.74 billion relief package for Midwest flood victims on Tuesday, resolving five days of mostly partisan wrangling in favor of Democrats, who insisted that emergency aid took priority over cutting the budget deficit. The New York Times reported from Washington.

The politics of flood relief had little to do with cresting flood waters, battered levees or submerged corn fields. Not a single Republican or Democratic lawmaker argued against helping those who are suffering, but members disagreed sharply over how and when to pay for federal relief efforts, which could reach \$10 billion.

The bill goes to the Senate, where Republican leaders have said they have no problem with it.

★ POLITICAL NOTES ★

Clinton Knew His Aide Was Feeling Blue

WASHINGTON — President Bill Clinton telephoned Vincent W. Foster Jr. the night before he committed suicide to part because he had learned the deputy White House counsel was "having a rough time" at work, the White House said.

The statement, confirmation of a report in Newsweek magazine, appeared somewhat at variance with a previous White House assertion that no one had known Mr. Foster was feeling troubled. But the White House press secretary, Dee Dee Myers, said the president had been aware only that it had been a difficult week for the office of the White House counsel, where Mr. Foster was the No. 2 official.

"There was absolutely no reason to think that Vince was despondent," Ms. Myers said. "Nobody believed that." She said later that the president had invited Mr. Foster and his wife, Lisa, to watch a movie with him but that Mr. Foster declined during the course of their 20-minute talk.

Ms. Myers sought to dispel any notion that Mr. Clinton had a sense of foreboding. "The president did not have any inkling that Vince was about to go kill himself," she said.

The disclosure of the July 19 telephone call from the president nevertheless added to a picture that suggested a number of Mr. Foster's friends had become concerned about him shortly before he was found dead last week of a gunshot to the head.

The counsel's office was subjected to criticism for not detecting problems in some of Mr. Clinton's nominations for top jobs. (WFP)

Hard Choice: Stress on Health Care or Trade

WASHINGTON — Just as the Clinton administration was forced to drop health care reform to focus on the budget battle in Congress earlier this year, the White House soon may find itself making a similar choice between health care and the North American Free Trade Agreement.

The White House still hopes that both health care reform and the free trade pact can be squeezed through Congress by the end of the year, but some lawmakers are saying that would create such a political logjam in the fall session that both proposals would be jeopardized. (LAT)

Quote/Unquote

President Clinton, announcing plans to make it tougher for immigrants to enter the United States: "This has nothing to do with our support for keeping the rainbow and the melting pot of America going and growing and enriching and strengthening this country." (NYT)

A Few Democrats Hold Budget Key

Some 'Yes' Votes Lean to 'No'

By David E. Rosenbaum
New York Times Service

WASHINGTON — As negotiations tried to resolve differences in the House and Senate budget bills, Democratic senators and representatives who are not on the conference committee threatened Tuesday to break ranks and bring President Bill Clinton's deficit-reduction package crashing down like Seneca's temple.

Senator David L. Boren, Democrat of Oklahoma, who has been a thorn in President Clinton's side all year, delivered a speech in which he threatened to switch sides and vote "no."

In the House, W.J. (Billy) Tauzin has been telling his Democratic constituents in Louisiana that he could not vote for a gasoline tax, which is sure to be part of the final version.

Some of the threats could be positioning "in" the hope of getting more out of the conferees. But since the measure passed the House in May by only six votes, and was approved in the Senate only on the strength of Vice President Al Gore's tie-breaking vote, the president's supporters have no margin of comfort.

All the Republicans in the House and Senate voted against the measure the first time and are pledged to vote against the final version.

"I'm not sure it will pass," said Senator Joseph I. Lieberman of Connecticut after a luncheon meeting of Democratic senators.

And Senator John B. Breaugh of Louisiana, an important ally of the president's, said: "There are a lot fewer 'no' votes that are leaning to 'yes' than there are 'yes' votes that are leaning to 'no'."

After a meeting in the office of Senator George J. Mitchell of Maine, the Democratic leader, Democratic congressional leaders and Clinton strategists said they expected the deficit-reduction measure to be approved.

The prevailing view in the Capitol is still that the final version of the bill will indeed squeak through the House and Senate next week and go to the White House for the president's signature.

A staff assistant who is keeping close watch on how each senator plans to vote said he did not believe any of the six Democratic senators who voted against the bill the first time could be persuaded to switch.

If he is right, Senator Boren holds a vote that might make or break the Clinton presidency.

In his speech on the Senate floor, Mr. Boren, who seems to have no support among his fellow Democrats, urged the administration to scrap what has been done up to now and start afresh in a bipartisan effort with Republicans.

Mr. Boren favors deeper spending cuts than either the Senate or House has approved.

"I'm out of the 'yes' column at this point," he said in an interview. "I remain to be convinced."

Because Mr. Boren is often fickle but follows the party line in the end, his colleagues generally ignore and attribute to him the one this week and outbursts like the one this week and cannot afford to do so.

"He's feeling the heat," said a Democratic senator, who supports the budget package. "A lot of people are feeling the heat. Oh, God, I'm getting it from 800 numbers, full-page ads, letters, you name it."



Judge Charles J. Hearn said he meant no disrespect.

Gallows Humor Case

Smile on Death Order Stirs Furor

By Sam Howe Verhovek
New York Times Service

HOUSTON — Charles J. Hearn, a Texas state judge, has been adding a happy face to his signature for years.

The happy face appears on his driver's license, on the checks he signs, on thousands of court documents.

Now it is on an execution order, informing a state prisoner of the date he is to be put to death.

The judge insists he meant no disrespect when he sent the order this month to Robert Nelson Drew, an inmate on death row, setting his execution for Oct. 14. The order concluded with the judge's customary bold signature, complete with a scribbled happy face.

"It's just a signature like yours is or anyone else's," the judge said Tuesday. "It's that simple. I'm a happy person. You've got to be a happy person. We've got too many people walking around this world with grim looks on their faces."

But Mr. Drew's lawyer, William M. Kunstler, said he and his client interpreted the smiling face as callous mockery and they were outraged by it. Mr. Kunstler said he planned to ask for a new trial.

"It's like he's saying, 'Have a nice death,'" Mr. Kunstler said. "Obviously, a man with this lack of sensitivity should not have been presiding at a capital murder trial."

The judge replied: "This is the way I sign everything. If I had put a happy face on an order staying the execution, I am very sure Mr. Kunstler would have had no problem with that."

Mr. Drew was convicted for the 1983 stabbing death of a 17-year-old Alabama man who the police said had picked him up while hitchhiking.

Mr. Hearn, 62, said the happy face was meant to symbolize his born-again Christian faith. He is known here for saying "God bless you" as he sentences people to prison, and on a few occasions he has held hands and prayed with convicts as they are sent away.

Clinton Ponders Next Chairman of Joint Chiefs

By Al Kamen
Washington Post Service

WASHINGTON — President Bill Clinton, who has been on easy street with his Supreme Court nominee, Ruth Bader Ginsburg, and so far with the FBI director, designate, Louis J. Freeh, soon will confront a tricky nomination: replacement of the Joint Chiefs chairman, General Colin L. Powell, who leaves at the end of September. Defense Secretary Les Aspin has

said privately that he realizes the choice is critical. Mr. Aspin said he had narrowed the field to two or three possibilities.

Pentagon sources see a half-dozen contenders, including:

- The Joint Chiefs vice chairman, Admiral David E. Jeremiah, who has the advantage of being the current No. 2.
- The air force chief of staff, General Merrill A. McPeak.
- Admiral Charles R. Larson,

head of the Pacific Command, with whom Mr. Clinton spent several hours in Hawaii this month.

- Marine General Joseph P. Hoar, head of the Central Command and the Marine commander in chief.
- Air Force General George L. (Lee) Butler, who runs the U.S. Strategic Command.
- Army General John M. Shalikashvili, supreme allied commander in Europe, who is seen as something of a dark horse.

Republican Wins in Arkansas Over a Former Clinton Aide

The Associated Press

LITTLE ROCK, Arkansas — A Baptist minister has narrowly defeated a former aide to President Bill Clinton in an election for lieutenant governor, making him the only Republican in Arkansas to hold a statewide office.

With 98 percent of the state's 2,064 precincts reporting, the Rev. Mike Huckabee had 145,363 votes, or 51 percent, to 140,587 for the former Clinton aide, Nate Coulter.

Arkansas has been without a lieutenant governor since December, when Jim Guy Tucker became governor after Mr. Clinton was elected president.

Mr. Huckabee, a 37-year-old Baptist minister from Texarkana, is former president of the 490,000-member Arkansas Baptist State Convention.

He had campaigned against what he called the state "political machine" controlled by Democrats.

Mr. Coulter had said there could be "gridlock" at the statehouse if the governor and lieutenant governor were from different parties.

Mr. Coulter, a 33-year-old lawyer from Little Rock, served as counsel for Mr. Clinton, as lawyer for the state Democratic Party and as head of a commission that studied election reform.

Away From Politics

- Violence on the three major U.S. broadcast networks is diminishing, according to a three-year study by the University of Pennsylvania's Annenberg School for Communication. Sixty-five percent of prime-time fictional drama and nearly half of all broadcast news are still involved in violence, the study said, but the frequency of violent scenes per hour is about half of what it had been before 1990.
- Denny's restaurants, accused of discriminating against black customers in California and Maryland, has hired a business consultant.
- Restaurant and bar employees' risk of developing lung cancer is 50 to 90 percent higher than normal because of the unusually high levels of tobacco smoke in the air of their establishments, a study in the Journal of the American Medical Association suggests.
- Nearly one in five workers had job-related back pain for a week or more during one recent year, and 22 percent had trouble with their hands, including carpal tunnel syndrome, the National Center for Health Statistics has reported. AP, LAT, NYT

Joseph D. Russell, to monitor civil-rights violations and run a program to train workers to avoid discrimination, the company said.

ROMANIA IS CRYING ...

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CONRAD HOTELS

German Peacekeepers March to an Uncertain Trumpet

Washington Post Service

BERLIN — Rarely has a nation marched off to peace with more handwringing anxiety than Germany has shown in its current deployment of peacekeeping troops in Somalia.

The German force is modest. It will grow perhaps to 1,700 soldiers by next month. The benign mission is to provide support to other United Nations troops in a pacified area near the Ethiopian border.

Nevertheless, the departure of the troops for Africa in recent days has dominated the German press and intensified debate over the country's role in world affairs.

Beyond concerns about the safety of German soldiers lies anxiety that this first tentative move into post-Cold War power politics could exceed the mission's constitutional bounds and precipitate a political crisis at home.

Chancellor Helmut Kohl is said to have assured Paris, London and Brussels that the Germans will not out and run even if action heats up in Beledweyne, the city 200 miles (320 kilometers) north of Mogadishu where the German force has camped.

Defense Minister Volker Rühe, during a morale-building trip to Beledweyne, suggested that Germany now is entitled to a louder voice in UN operations in Somalia.

But Rudolf Scharping, chief of the opposition Social Democrats, proposed that German participation in any future UN operation require a two-thirds majority in parliament — a restriction that would effectively keep the army at home.

Mr. Scharping asserted that Mr. Kohl's government misled parliament about the Somalia mission, which could involve combat. The German constitution forbids mili-

tary operations outside the North Atlantic Treaty Organization.

Polls show that the German people remain divided. In a survey published by the magazine Der Spiegel, 51 percent of those polled favored bringing German soldiers out if they come under fire; 42 percent disagreed.

Mr. Kohl represents the faction that sees Germany shouldering an increasing burden — and more influence — in the community of nations.

"One thing that's very important for the Germans is to be pulled out of the niche protecting them from international responsibility," recently observed Kurt Biedenkopf, premier of the Eastern state of Saxony. "Germans were over particularly happy with Helmut Schmidt's observation that they were economic giants and political dwarfs, but they felt rather comfortable with that position."

Some conservative politicians view the military activism as a barometer by which to gauge Germany's return to normalcy nearly half a century after World War II, according to Werner Hoyer, parliamentary whip for the Free Democrats, junior partner in Mr. Kohl's coalition. But there is still no accepted view of what a normal Germany should look like, Mr. Hoyer added.

Many officials in Bonn concur that providing logistical support for other UN forces in Somalia is at the edge of humanitarian missions permitted under the German Constitution. Should German troops find themselves exchanging fire, the Free Democrats have signaled that they will withdraw their support.

That could mean bringing the troops home — a painfully embarrassing setback to Mr. Kohl.

— RICK ATKINSON



Somali Muslims, recruited to work for the United Nations, praying near an Italian military transport in the north of the country.

Jewish Group Seeks An Apology in Japan

Reuters

TOKYO — A leading Jewish group has demanded an apology from a Japanese newspaper that ran an advertisement for books alleging a Jewish conspiracy to destroy Japan.

The advertisement, which appeared Tuesday in the Nihon Keizai Shimbun, "gives credence and respectability to blatant and outlandish lies about the Jewish people," said the Simon Wiesenthal Center, which is based in Los Angeles.

The advertisement, covering one-third of a page, contends that Jewish industrial and financial groups surrounding the Rothschild family have taken over the rest of the world and are now attempting to destroy Japan.

It asserts that Japan's stock market slump, the value of the yen and current political turmoil are all the work of Jews, who are said already to control the Finance Ministry and the Bank of Japan.

Asked to comment on the Wiesenthal Center's complaint, Nihon Keizai said its advertising policy was founded on respect for freedom of expression and publication.

The advertised book, in three parts, is called "Hit Japan, the Last Enemy."

In one of Japan's more bizarre cultural manifestations, newspapers and magazines periodically publish articles purporting to reveal the dangers that world Jewry poses to Japanese life.

Indian Leader Wins 3d Confidence Vote

Compiled by Our Staff From Dispatches

NEW DELHI — Prime Minister P.V. Narasimha Rao survived a no-confidence motion Wednesday in Parliament, where opponents had accused him of corruption and incompetence.

It was the third no-confidence motion that Mr. Rao's minority government had defeated since it came to power in June 1991. He won by a margin of 262 to 248 in the voting Wednesday; eight members abstained.

It appeared that members of the governing Congress (D) Party had succeeded in splitting the 20-strong Janata Dal (A), which had announced it would vote against the government. Politicians said at least seven and possibly eight members of the Janata Dal faction had broken ranks and voted with the government.

Mr. Rao will now propose a constitutional amendment that would allow Parliament to ban parties or groups that promote religions hatred. It would also forbid candidates who won elections by introducing religious topics or symbols during campaigns from taking seats in federal and state legislatures.

The legislation is clearly aimed at the Bharatiya Janata Party, Parliament's largest opposition group and Mr. Rao's arch-enemy.

The motion was sponsored by a leftist coalition and supported by

the right-wing Bharatiya Janata Party.

Mr. Rao, who took power following the assassination of Prime Minister Rajiv Gandhi, has reformed India's creaked economy and confronted a growing Hindu fundamentalist movement. But his government has been paralyzed since he was accused last month of accepting money from the key suspect in India's worst financial scandal.

(AP, Reuters)

UN Aide Backs Court Review of German Asylum Cases

Reuters

BONN — Germany should outcurtail legal channels any further for asylum-seekers rejected under a new fast-track system, the leading United Nations refugee official in Germany said Wednesday.

The introduction of a tough new asylum law on July 1 to stem a flood of refugees means the govern-

ment expects cases that previously dragged on for years to be completed within 19 days.

But the law has prompted a steady trickle of appeals to Germany's supreme court, which has suspended deportation orders against four asylum-seekers. These appeals have irritated conservative politicians, who say the new law is being

undermined and may have to be changed.

Hans Tennfeld, head of the German mission of the UN High Commissioner for Refugees, told German radio: "It is necessary that there should be a first court and that an appeal can then be taken to an independent second court. Half of the appeals have been upheld,

and that clearly shows that the question of whether or not there is a need for protection needs to be looked at much more closely."

Last year almost 440,000 refugees applied for asylum in Germany.

Since July 1, all potential applicants have been turned back at Germany's land borders.

U.S. Reviews Refusal to Comply With Regional Nuclear Weapon Bans

By Michael Richardson

International Herald Tribune

SINGAPORE — The Clinton administration is reviewing a longstanding U.S. policy of refusing to comply with regional agreements that ban the possession or storage of nuclear weapons, Western officials said Wednesday.

Under that policy, Washington has refused for the last eight years to sign the protocol to a 1985 treaty establishing a nuclear weapons-free zone covering the South Pacific.

Washington argues that such a treaty could weaken global nuclear deterrence and, in particular, impede freedom of navigation for the U.S. Navy.

The United States also strongly opposes a plan by countries in the Association of South East Asian Nations to create a similar zone that would cover sea and air lanes used by U.S. military forces in the Pacific to reach the Indian Ocean and the

Gulf. The ASEAN members are Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand.

In an interview on Wednesday, Frank G. Wisner, the U.S. undersecretary of defense for policy, said the United States is reviewing its position on the planned zone for Southeast Asia.

In a separate interview, Gareth Evans, foreign minister of Australia, said that he had been advised by a senior U.S. official that there was "a fundamental review going on, a rethink of attitudes" toward the South Pacific zone.

Mr. Wisner noted President Bill Clinton's recent call for a worldwide ban on the testing of nuclear weapons and also the progress made in nuclear arms reduction in negotiations between the United States, Russia and other nations from the former Soviet Union.

There has been "literally a revolution in thinking about the nuclear issue," Mr. Wisner said.

As a result, he added, the United States will take "a fresh look at what is at stake" for U.S. interests in the proposed nuclear weapons-free zone for Southeast Asia.

Both Mr. Wisner and Mr. Evans emphasized that they did not know what the U.S. reviews would conclude and recommend.

Analysts said, however, that the end of U.S.-Soviet nuclear rivalry, the removal of all tactical nuclear weapons from U.S. warships and submarines and decisions to close U.S. bases in the Philippines has made Washington much less wary of nuclear-free zones.

At a news conference Wednesday, at the end of a three-day meeting of officials from 12 Asia-Pacific nations and the European Community, Ali Alatas, the Indonesian foreign minister, said that the drafting of a treaty to establish a nuclear weapons-free zone in Southeast Asia was in an advanced stage.

While noting that the Cold War nuclear confrontation was over, he said: "We are still in a world that is bristling with nuclear weapons."

Making Southeast Asia an area where the manufacture, acquisition and storage of nuclear weapons was forbidden would help prevent the spread of nuclear arms, he said.

In a closed session of the conference on Monday, which was attended by Secretary of State Warren M. Christopher, the ASEAN foreign ministers assured the U.S. delegation that legitimate interests of powers outside the region would be protected in the drafting of such a nuclear-free treaty.

ASEAN officials said that the treaty would preserve all existing rights of passage through international sea lanes and airspace in Southeast Asia for foreign ships and aircraft even if they carried nuclear weapons.

Individual countries in the region that signed

the treaty would also be able to decide for themselves whether to allow access to their ports and airfields for foreign ships and aircraft carrying nuclear weapons, the officials said.

The U.S. will neither confirm nor deny reports that it has nuclear weapons on ships, aircraft or bases.

In what appeared to be a significant shift in policy, Kabin Muto, foreign minister of Japan, said Wednesday that Japan was inclined toward supporting an indefinite extension of the Nuclear Nonproliferation Treaty.

Earlier this month, when concerns about a suspected North Korean program to develop nuclear weapons were at their height, Japan refused to endorse a call by the U.S. and other industrial powers for an extension of the 1970 pact.

The Japanese position caused concern among Asian nations that Japan was leaving open an option to develop nuclear arms.



THIS SIA ENGINEER WORKS IN SEATTLE.

He hasn't slipped away unnoticed. And he is certainly not on holiday. For Ivan Neo's job is as tough as it is vital. He has to ensure that every new plane we get from Boeing is built exactly as ordered. He has to examine every piece of fuselage as well as every emergency light. And see that the configuration of every cabin is as precise as the position of every electrical wire. Our man in Seattle must have an eagle's eyes, a pilot's ears and a philosopher's concentration. As well as the adaptability of a chameleon, more than 8,000 miles from his home. Such attention to detail is perhaps most often noticed in the inflight service even other airlines talk about. In truth, it starts with engineers like Ivan Neo. And it never ends. SINGAPORE AIRLINES

(HOLD ON, WE DON'T FLY TO SEATTLE.)

THE YOUNGEST, MOST MODERN FLEET IN THE WORLD.

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

Peace Talks or More War?

Hezbollah's Conceit

It is the conceit of Hezbollah ("Party of God"), the Iranian-aided terrorist group, that by provoking Israel it can derail the Arab-Israeli peace talks. This is foolish. Hezbollah's opposition to the talks is not in doubt, but on both sides these talks express a larger official and popular commitment that is beyond the easy reach of terrorist upset.

Still, once military forces wheel into action in the Middle East, no one can be entirely sanguine about what might ensue. That is reason enough for concern about this week's violence. From their sanctuary in Syrian-occupied Lebanon, Hezbollah guerrillas had recently killed seven Israeli soldiers in the slice of the country that Israel controls, and had rocketed border settlements in Israel proper. Israel responded with powerful assaults aimed at punishing the guerrillas and raising the costs to Lebanon of failing to keep its territory guerrilla-free. North and south of the border, civilian casualties have been recorded, and several hundred thousand villagers have been displaced from their homes.

A familiar pattern is evident here. Lebanon's government, weakened by civil war and foreign intervention, cannot perform the first function of sovereignty — controlling its own territory. If it could, there is every

reason to think that Lebanon, desperately trying to rebuild, would lead the guerrillas whom Iran and Syria sponsor, in their respective fashions, on its territory.

Israel is then led to protect its borders, as any nation would. But by taking over a slice of Lebanon for its own strategic purposes, Israel inflicts one blow on its neighbor, and by its hot and heavy pursuit of guerrillas well beyond that slice, it inflicts another blow. Israel's of the right tend to see Lebanon as Israel's to make over. Israel's of the left recall earlier wars, especially the one in 1982, and see a quagmire. But both Israeli factions support a negotiated peace.

It was helpful to have President Bill Clinton reassert the priority of the diplomatic track on Tuesday. It had already been announced that Secretary of State Warren Christopher was heading to the Middle East next week. Mr. Clinton had the secretary cut short an Asia trip to return to Washington first. The United States, eager for progress in the stalled talks, wants to maintain its standing with all the parties. But it is necessary for the president to laud the "commendable restraint" of Syria, which, although it seems to have acted bravely with its own forces, has a measure of responsibility for the guerrilla marauders who touched off this dangerous episode.

— THE WASHINGTON POST.

The Only Alternative

With luck, the deadly exchanges of bombs and rockets now raining down on civilian populations on both sides of the Israeli-Lebanese border will not blow up the Middle East peace talks. Stopping the negotiations would be a perverse reward the very group that triggered the latest cycle of violence — the radical Lebanese Party of God, whose guerrillas killed seven Israeli soldiers stationed on Lebanese soil earlier this month in a calculated effort to undermine the talks.

With that danger in mind, Damascus has prudently restrained its own forces in Lebanon even though Syrian soldiers have been killed in the fighting. Showing less restraint, Israel is deliberately trying to force tens of thousands of Lebanese civilians to flee northward, in the hope that this will somehow pressure Beirut and Damascus to crack down on the Party of God. But violence, particularly on such a large scale, can develop its own terrible momentum. Twice before, in 1978 and 1982, Israeli retaliatory raids on Lebanon escalated into bitter battles, with unhappy consequences all around. Washington is thus right to take this latest crisis extremely seriously, rushing Secretary of State Warren Christopher back from Asia for urgent consultations with President Bill Clinton before he sets off for the Middle East this weekend.

Mr. Christopher's goal of revitalizing the peace talks suddenly takes on new urgency. The Israeli, Lebanese, Syrian and Jordanian governments and the Palestinian negotiators,

all feel they have a stake in keeping the talks going, but that may not be enough. With radical Islamic rejectionists like the Party of God and Hamas working to raise the level of violence, and with the talks stalemated over core issues like Jerusalem and the Golan Heights, political support for peace in the region could begin to melt away before year's end.

Mr. Christopher faces a formidable challenge. He has no magic powers to create a negotiating breakthrough. Only the Middle Eastern parties directly concerned can do that. Yet he and his boss, Bill Clinton, will be held politically accountable if the talks break down. What former Secretary of State James Baker put together with the smoke and mirrors he called "constructive ambiguity" must now be sustained through grit and hard work. Perhaps Mr. Christopher can help Israelis and Palestinians find a way to talk about self-government in the West Bank and Gaza without tripping over final territorial definitions. Maybe he can unlock Israel and Syria from their mutual insistence that the other go first in spelling out a Golan Heights deal. Even better would be a recharging of the will to compromise, worn down by months of interruptions and delay.

The only alternative to negotiated peace is now spectacularly on view on both sides of the Israeli-Lebanese frontier. The grim horror of that alternative has properly concentrated the minds of American statesmen. May it do the same for their Arab and Israeli counterparts, before it is too late.

— THE NEW YORK TIMES.

A Compromise on Steel

Although the big American steel companies are complaining bitterly, the steel import decisions may not work out badly for them. The issue is penalties on imported steel that is being illegally subsidized or dumped. In the intricate pattern of the International Trade Commission's decisions, you can discern the outline of a trade policy. No doubt the ITC will merely settle these cases, one by one, on the facts. If so, the hint of a purposive policy is merely an interesting coincidence.

In another interesting coincidence, the decisions also suggest elegant diplomacy. These cases had the potential to inflame America's trading relationships with Europe and Japan, greatly damaging the chances for a successful end to the Uruguay Round of world trade negotiations. As it turns out, the European Community, if not Japan, seems moderately pleased by the outcome.

Last month the Commerce Department announced that it had found subsidies or dumping in imports of several categories of steel from 29 countries. The remedies would be high tariffs as penalties, but to get them the plaintiffs also had to prove that they are actually being hurt by those imports — and not by domestic competition. The plaintiffs were 11 big integrated steel companies, with

the support of the United Steelworkers union. In all of the cases involving bolt-rolled steel, and most of those involving cold-rolled steel, the ITC found that the American companies were not in fact being hurt by the imports. Those are the products in which the big companies are facing fierce competition at home from the mini-mills — flexible, low-cost operations using nonunion labor. But in most of the cases involving corrosion-resistant steel — more expensive, requiring a much higher level of technology and not produced by mini-mills — the ITC agreed that the imports were causing injury.

The effect is to give the big American companies a substantial measure of protection at the high end of the technology scale. At the low end, the Europeans, Japanese and Brazilians are now free to come in and compete, if they can, with the mini-mills. Steel imports into the United States, incidentally, have not grown in recent years. They have been stable at a little less than one-fifth of total American steel consumption.

The American legal procedures for settling trade disputes are inordinately costly, complex and uncertain. But in this case, even this awkward machinery has produced a useful compromise.

— THE WASHINGTON POST.

Other Comment

No Big Change Yet in Japan

It was billed as the occasion when, for the first time in almost 40 years, Japan's political balance would change in a dramatic way. Yet if the general election that Japan held on July 18 was dramatic, then watching paint dry has a great future as a spectator sport.

The big loser was the main opposition group, the Social Democrats, and not the government: the ruling Liberal Democratic Party lost its overall majority, but it still three times bigger than any other party and is likely to dominate a coalition government.

Put the opposition forces together, and you have the potential for the end of the LDP's

monopoly on power. The next battles will determine whether that potential can be turned into an actual and dramatic change. The only clear outcome of the election was that the old alternative government, the Social Democrats (who are really socialists), took a clobbering. What remains is to build another, credible alternative to the old order. It could be fashioned out of the new parties. It could emerge through further fractures in the LDP. It could eventually be created after another general election, by a party not yet in existence. It could even be created by a new-look Liberal Democratic Party. The forces for change are there; the first, subtle steps have been taken.

— THE ECONOMIST (London).

When Good Wishes Abet Tragic Results

By Flora Lewis

PARIS — The agony of Bosnia is trailing on. But there is no longer real doubt about its ignominious, mortifying end — if the problems of refugees, prisoners, enduring shame and hatred it will leave can be called an end.

The Bosnian Serb leader Radovan Karadzic put it vaingloriously but with blunt accuracy. "They are militarily defeated and we have no urgency to negotiate with them," he said of the Muslim-led defenders, suggesting that a "settlement" be put off to midautumn "when the warring sides define their stands."

Neither the United Nations nor any Western government has as yet admitted craven submission to the forces of arms and indifference, although they, too, have met with a moral and political defeat as complete as that of the shorn state of Bosnia-Herzegovina.

This is too near the moment of truth for arguments about what could have, should have, been done. They will go on for a long time after the fact. There will be no shortage of blame to go around, unevenly but for all those involved and those unwilling to get involved beyond gestures. It is hard, though, to hear the prissy, plaintive-

ly righteous claim of Secretary of State Warren Christopher that "the United States is doing all it can consistent with our national interest. It is his job and that of President Bill Clinton to define the national interest, and they have done so without even a dash of candor or humility."

Historians can worry about that. At this point, I think it is more urgent to examine with painful clarity the importance and value of what the so-called international community did try to do.

It was based on three widely accepted, well-meaning assumptions. They must be opened to question as the basis for future decisions, because certainly the Bosnian tragedy will not be the last of its kind for us to ponder. Mr. Christopher called it "the world's most difficult problem," but he isn't looking ahead.

The first assumption, asserted by the European Community and endorsed by the United States, was that mediation and a kind of benign diplomatic massaging of the parties to a fierce dispute can produce an agreement that they have refused to reach with each other; that merely showing an interest and urging reason will do the trick.

It was already quite clear before the state of Yugoslavia fragmented that the parties were not going to resolve their conflict amicably, so that the rest of the world could tolerantly and even-handedly take note and go its way. But many

wanted to believe that divorce in the name of self-determination was possible, the modern, decent way of ending a domestic dispute. Now they have seen the meaning of divorce Yugoslav-style, without benefit of rules and concepts (for rights).

The second assumption was that once fighting starts the least outsiders can do — in this case, the most they wanted to do — is to provide humanitarian aid. That means food, medicine, perhaps some fuel, to keep people going. It kept the sieges and the misery and the killing going. People were grateful to survive another day, another week, that is human nature. Did it do any good, or just prolong the suffering?

That is a terrible question, but it has to be faced. The tendency is growing to respond with "humanitarian aid" to what are essentially man-made, political problems around the world. Charitable organizations resist intervention to attack the source. They argue, with evidence, that it interferes with their distribution of relief and that if they have to bribe, deal with thugs, submit to robbery to get on with their effort, in Somalia as well as Bosnia, it is worthwhile because lives are saved. It is a self-serving and narrow view of a self-satisfying glow of generosity. How far can it go? How long can it last?

These are not responses to acts of nature — earthquakes, floods, droughts — but to deliberately, humanly provoked disasters in which the rewards for abuse of power are enhanced. Aid is a temporizing response. It is not self-evident that it always does more good than harm.

The third assumption was that it is useful to call on the United Nations if the humanitarian effort runs into trouble, even if UN members are not prepared to do more than try to keep supplies moving, dispatched to separate combatants, UN troops have in effect protected Serbian enclaves in Croatia, freeing men to fight elsewhere. They helped get some supplies through to the hungry in Bosnia, but the siege of Sarajevo has gone on for 16 months as a result.

The achievements of the blue helmets depend on the good graces of the attackers, who extract a share of supplies as the price and are prepared to block relief to the extent of their desperation to increase their bargaining power. The United Nations has been able to exert no authority, neither military nor moral. Is the illusion that the international community is "doing something," that it is "present," enough to justify its being party to the charade?

The answers are not obvious, but it is obvious that the assumptions don't work. Comforting hypocrisy has betrayed the pretense of mercantile action. It would be better to be brutally honest, and then decide what we can really stand, what we are really prepared to offer.

© Flora Lewis.

Aid is a temporizing response. It is not self-evident that it always does more good than harm.

...ion to the forces of arms and indifference, although they, too, have met with a moral and political defeat as complete as that of the shorn state of Bosnia-Herzegovina.



The Way Ahead for Europe Is Back to Practicality

By William Pfaff

PARIS — Self-inflicted wounds are the worst, and Western Europe today reels from them, wounds of uncalculated ambition and failure of imagination.

The European Monetary System has in recent days been battered again by speculators, but this has also been a consequence of the plan's own overreaching ambition — an ambition that the European governments have not had the means to fulfill. The danger now is grievous enough for some in Brussels to forecast the collapse of European unity itself, if currency union eventually goes.

However, European unity surely does not depend on currency union. It rests on a political commitment to European reconciliation. Unity has been constructed by four decades of eminently practical steps in economic integration, which have brought political integration with them. The plan for monetary union was meant to be the biggest of these steps, but it has proved the unluckiest one — unlucky because uncharacteristic, a departure from successful precedent.

Monetary union was an uncharacteristic and imprudent step because it involves matters that governments cannot control. From coal and steel industry unification in the 1950s to

creation of a single European market at the start of the 1990s, the successive steps in building Europe all were within the power of governments to carry out. They may have been complicated and difficult, but they were matters that parliaments and officials could order to be done, in the confidence that they would be done.

The value of money is not subject to determination by governments, except incompletely and indirectly.

The Community's morale could vanish. A gradual decline could follow.

as the eventual result of economic as well as fiscal policy decisions that are then subjected to popular and political reaction and the forces of the marketplace.

Relative currency values are subject to variables in the interactions of national economies with different characteristics and different problems, existing at different stages in the economic cycle or in different stages of development.

It is, for example, reasonably clear

at the moment that the French economy is in fundamentally better condition than the German. But Germany's interest rates are kept high because of the inflationary threat to Germany created by the unrealistic terms on which the West-German economy was united with the out-of-control East-German economy. France, which has the lowest inflation in Western Europe, has had to keep its interest rates high as well, in order to defend the franc's value in the monetary union, producing recession and unemployment in France.

What suits the one economy discards the other. Neither government can be expected indefinitely to sacrifice its national interests to those of the other government. France has until now subordinated its interest in economic relaunch and lowered unemployment to the German interest in fighting inflation, believing that the longer-term goal of an eventual common currency and France's larger political interest in maintaining Germany's European integration justify the sacrifice. In principle, they undoubtedly do. However, it may be that the sacrifice is for a mistaken purpose.

The genius of Jean Monnet and Robert Schuman in beginning Eu-

rope's union in the 1950s was to propose practical steps of obvious common advantage and let the larger consequences flow from that. Currency union, like the measures of political and security policy unification contained in the Maastricht treaty's program for further European integration, has been an attempt to make a big, ideological leap forward, with the details to be filled in afterward. It reverses the Monnet-Schuman method. It hasn't really worked.

This has been a very bad year for European integration. The fiasco over Yugoslavia, the appalling failure of the Europeans to take any coherent initiative to halt the war and the atrocities, plus the political drama provoked in Belgium, France and Britain by the Maastricht treaty debate, and Britain's exit from the European monetary union, followed by speculative international attack upon currencies still in the union, have all produced European division in place of union.

It is possible that this will continue. The danger is not of some dramatic collapse. It is rather that the Community's morale will vanish, and that a gradual decline will follow. Despite the fact that the Community's members have an interest in its continued existence, which far outweighs any national interest that might be served by its dissolution, it is imaginable that the forces of disintegration, which are considerable, will eventually prevail. The Maastricht proposals might prove to have been the beginning of the end, not the new beginning that they were intended to become.

However, unlike the value of 12 currencies, this is within the power of governments to decide. Do the West Europeans push aside their big and supposedly visionary programs for all-or-nothing union, and get back to the practical work by which European union has until now been constructed? Or do they aim inward again, to their separate national interests?

The answer will be of great interest to the United States as well as to Europeans, since the United States has in more than a symbolic sense been Europe's 13th member — ally of the other 12, promoter of this union which, until now, has secured the guarantor of European peace, generator of a common prosperity.

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The Case Is About More Than Money

By Jim Hoagland

WASHINGTON — Writing about Libya's efforts to evade punishment for the bombing of Pan Am Flight 103 brings me in touch with an exceptional group of Americans around the country, whose sense of right and wrong, and displays of raw emotion, contrast sharply with the sophisticated, results-oriented behavior of the Washington establishment that I normally cover.

These Americans are relatives and friends of Pan Am passengers and crew members who perished over Lockerbie, Scotland, on Dec. 21, 1988. Many have dedicated themselves to making sure that this monstrous crime does not get swept under the rug.

The bombing of Pan Am 103 was a crime against America as well as against individuals.

These families pursue justice more than they pursue vengeance, even if that emotion is not totally absent from their thoughts. Their lives have been scorched — some say destroyed — by the Lockerbie crime, the enormity of which surprised me as I dug back into it.

The Pan Am bombing set off the most wide-ranging international criminal investigation in recent history. It sent America's premier airline into terminal bankruptcy. It has provoked more debate and action within the U.S. government and the United Nations — which have demanded that Libya turn over two men charged with carrying out the bombing — than any other individual foreign terrorist act I can recall.

Pan Am 103 appropriately serves as the defining moment of the

totaling \$500 million in 225 separate cases is now on appeal in the 2d U.S. Circuit Court of Appeals located in New York.

Secondly, the United States government controls \$958 million in Libyan assets, frozen under economic sanctions enacted in 1986 to punish Libya for supporting international terrorism. Is Libya hiring U.S. lawyers to help in unfreezing those assets so that part can be paid to the Pan Am families?

The outlines of such a deal were conveyed to Lee S. Kreindler, the New York lawyer who represents the largest number of Pan Am victims' families, on July 12. Mr. Kreindler describes in convincing detail a Libyan offer that would funnel hundreds of millions of frozen Libyan dollars to the families if they would in effect condone trials for the two wanted Libyans in a country other than the United States or Britain.

Mr. Kreindler turned the deal down, saying that his clients considered it an outrage. He also expressed concern that offers of a deal with Libya could undercut his pending case against Pan Am.

The families I spoke to are determined to seek justice instead of pursuing will-o'-the-wisp Libyan offers. Their anger at Washington insiders who see the Libyans as just another (wealthy) client to be represented or a diplomatic problem to be solved burns intensely.

"The families drive us nuts," a senior U.S. official says. "But they are very effective and keep pushing us to bring the Libyans to justice. As upset as I get with them, I'm glad they are there."

The bombing of Pan Am 103 was a crime against America as well as against these individual Americans. They have thought seriously about the effect on society at large of crimes that are clear but go unpunished. Now so should the rest of us.

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Assad Role Is Clear: On a Brink

By Robert Satloff

WASHINGTON — Bill Clinton made a mistake in praising Hafez Assad for "commendable restraint" in Lebanon. What is needed when Secretary of State Warren Christopher arrives in the Middle East is to try to unlock negotiations as an effort to rein in Syrian brinkmanship.

That means making it clear that the administration is not fooled by President Assad's attempt to use force to compel Washington to take Syrian peace demands seriously, if only to avert full-scale confrontation.

Mr. Assad has again resorted to force by proxy as his preferred negotiating method. The result: The worst border violence in a decade. Mr. Assad has to be held accountable for the fighting. Behind Hezbollah — the Party of God — stand two states. Iran is the spiritual and financial pillar, but material support passes through Syria; its support is needed before local bosses approve operations.

A heightened U.S. role as full partner in the direct bilateral talks will be symbolized by Mr. Christopher's shuttle diplomacy for the next six months. Evidently, his main goal is Syria, which has made no progress in its talks with Israel and can disrupt any advances the Palestinians might make on their own.

Mr. Assad hopes to improve ties with America, but there is serious doubt that he will make the compromises needed to settle Syria's conflict with Israel. Slogans about "total peace for total withdrawal" aside, 20 months of talks have revealed facts about what sort of peace he has in mind.

Prime Minister Yitzhak Rabin of Israel has committed himself to a withdrawal on the Golan Heights; the extent of the pullout is based on the extent of peace. The next move is Mr. Assad's, but for 10 months he has not made it. He wants what President Anwar Sadat of Egypt got (all the land) but refuses to give what Mr. Sadat gave (full peace).

Rocket fire over Israel is Mr. Assad's way of saying that the full is over. Syria virtually took responsibility for the attacks when its foreign minister proclaimed that Lebanon and Syria are one state and that retaliation against one would be viewed as retaliation against the other.

The attacks on Israeli troops by Hezbollah and by the Damascus-based Popular Front for the Liberation of Palestine headed by Ahmad Jibril that triggered the fighting confirmed Syria's role.

The flare-up represents the latest chapter of diplomacy by force that is a tradition of Syrian negotiating strategy. When Israel and Syria were locked in an agonizing stalemate, would lead to the 1973-74 war, a disengagement agreement, Mr. Assad launched a war of attrition to raise the pressure on Israel.

In the 1980s, as Israel prepared to withdraw from Lebanon and establish a security zone, Mr. Assad unleashed Lebanese-car bombers against Israeli targets to speed up Israel's evacuation without a comparable Syrian withdrawal.

If Mr. Assad truly wants peace, the potent mix of Kayastbas and Mr. Schein does not mean that he is ready to make it happen.

The Syrian press has written much about Bosnia. Editorials have pilloried the UN resolution setting up a panel for Bosnian Muslims on the grounds that its language resembled Security Council Resolution 242, the foundation of Middle East talks.

The Syrians ask: Will Washington follow up its commitment to Middle East peace as it followed through on its promises to the Bosnians?

After watching the debacle in Bosnia, Mr. Assad may have concluded from the Bosnian Serbs' strategy that attack and negotiation may be the way to win what he wants without offering what is needed in return.

Because Mr. Assad wants a U.S. dividend from the peace process even more than peace with Israel, Washington is in a strong position to try to ensure that he will view the debacle in Bosnia as an exception, not the rule, in U.S. foreign policy.

Mr. Christopher needs to convince Mr. Assad that peacemaking and breakthrough do not go hand in hand. He needs to get the message across that Mr. Assad's alliance with Iran, support for Hezbollah and patronage of Mr. Jibril are inconsistent with Syria's professed desire for peace and eagerness for U.S. intervention to help achieve it.

The writer is executive director of the Washington Institute for Near East Policy, a research and education journal. He contributed this comment to The New York Times.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
 Tel.: (1) 46 37 93 00. Fax: Circulation, 46 37 06 51; Advertising, 46 37 52 12
 Editor for Asia: Michael Richardson, 5 Cambridge Rd., Singapore 0511. Tel: (65) 472 7798. Fax: (65) 274 2244
 Mex. Dir. Asst. Rolf D. Krampehl, 50 Gloucester Rd., Hone Nune, Tel. 361 4016. Fax: 361 3071
 Mex. Dir. U.K. Larry Thorne, 13 Long Acre, London WC2. Tel: (071) 836 5802. Fax: (071) 240 2254
 Gen. Mgr. Germany: Wolfgang Friedrich, 15, Altes Postamt, Tel: (030) 25 70 33. Fax: (030) 25 71 30
 Post: S. Michael Linn, 130 Third Ave., New York, N.Y. 10003. Tel: (212) 512 3800. Fax: (212) 755 8705
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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: China Prepared

LONDON — The attitude of China in respect to the Siam question is put into definite shape in a despatch from Peking to the Standard. "While the Chinese Government is not likely to attempt to enforce its rights as nominal suzerain of Siam to the extent of intervening so long as the scene of conflict is limited to the Menam and Lower Mekong, I can state positively that it is fully determined to uphold its dominion on the upper Mekong, and that if France encroaches above 21 degrees of north latitude she will find China in her path."

1918: Concrete Vessels

NEW YORK — "Concrete vessels which the Emergency Fleet Corporation is building are twenty percent lighter than the wooden ships, and will be coated with a substance which will make them as durable as steel vessels," asserts the chief engineer of the Concrete Ship Division of the

corporation. "We are assured that concrete ships will last a minimum of several years without any protection. The aggregate from which this new concrete is made is so light that it floats on water, and yet it makes a kind of concrete possessing twice the strength of that used in ordinary building construction."

1943: No Escapes

WASHINGTON — [From our New York edition.] Addressing the nation and the world by radio, President Roosevelt declared tonight [July 28] that "we shall not settle for less than total victory" in a war in which the "first crack in the Axis has come." He reiterated that the United Nations' terms to Italy remain the same as to Germany and Japan — "unconditional surrender." As for the ousted Mussolini, he asserted: "He and his Fascist gang will be brought to book and punished for their crimes against humanity. No criminal will be allowed to escape by the expedient of resignation."

OPINION

When America's Politics Gets Nasty

By E. J. Dionne

WASHINGTON — This past week-end, my colleague David Von Drehle reported the reflections of the Arkansas friends of Vincent Foster Jr., President Bill Clinton's deputy counsel who apparently committed suicide. It was a moving article that kept coming back to the search for what it was about Washington and the American style of politics that might have pushed Mr. Foster to make what one person who knew him well called "the only bad decision of his life."

Mr. Foster's friends were not looking for glib explanations of the intensely private despair that pushed a person to take his own life. Rather, they were asking a prior question: Why has politics become such a nasty and often inhuman business?

It's a good question, even though meanings in politics is no recent innovation. Matters have worsened. The polls show that Americans trust people in public life much less than they did 30 years ago. Campaigns have always been rough, but politics now runs to permanent inactivity, in season and out.

The politics of nastiness has no single source, but it is rooted in the fact that the country is passing through a series of crises for which neither the politicians nor the idea mayers on whom they rely have satisfactory answers.

No one, for example, fully understands how to deal with the economy's impact on living standards. Nor is it clear what steps would genuinely transform the lives and aspirations of inner-city kids growing up in the midst of violence, family breakdown and joblessness.

One could multiply these examples, but the point is that politicians are in a bad

spot when it comes to promising what they usually have to promise: that they will cure whatever ails us. The late Sam Elyon once said that when both the evidence and the facts are against lawyers, they pound the table. When the answers escape politicians, they pound each other, often viciously.

It is easier to call Bill Clinton and Ted Kennedy (or George Bush and Newt Gingrich) scoundrels or worse than to admit that the problems at hand are hard to solve and that it will require a lot of experimentation — and, yes, some public money down the drain — to come up with even partial answers.

When politicians are not assailing each other, they feel obliged to think and evade — which deepens the cynicism that feeds the nastiness. Republicans don't really want to argue strenuously that they oppose raising taxes on the wealthy, so they pretend there is an easy way to balance the budget. Democrats don't want to say that some of their social programs will fail or have unintended consequences or deal with only part of a problem. So they overclaim, overpromise — and disappoint.

Voters encourage this behavior when they tell pollsters that half of what the government spends is wasted. This view puts voters in the convenient position where they can demand that government do more and tax less at the same time. Government is always asked to clean up after calamities — floods, hurricanes, bank failures, factory closings. But if it's not your calamity, you can write off these

activities with epithets like "giveaways," "bailouts" and "bloated government." There is another difficulty that may especially affect those of us in journalism. It might be called the naïveté of tough-mindedness.

It is obviously naïve to think that politicians are motivated only by the public good and never, ever think of things like re-election, higher office and, in some cases, their own pocketbooks. There are a lot of opportunists out there, and the grubby quest for campaign contributions can make even the most honest pol bend.

But it is equally naïve (although much more popular) to think that politicians or their aides absolutely never, ever act from motives higher than the crass and the selfish. Many of the conflicts in politics are explained not by corruption or even by stupidity but rather by genuine differences of opinion over — it's strange to say, I know — the right thing to do.

The vicious cycle is completed by the role of the best people in politics: the philosophically committed activists left, right and center. Their problem lies not in fighting their opponents but in demonizing them. Your adversary can't simply be wrong; he or she has to be a baby-killer or a woman-hater or a racist or a "quota queen." Name-calling is especially widespread on emotive issues like abortion, affirmative action and gay rights. But it also seeps into the more quotidian matters of taxes, spending, trade and health care.

The issue here is not that politics should be "nicer." Nor is there any way around the sort of fierce but necessary scrutiny of matters such as the problems



with the White House travel office or the president's appointees that seemed to so dispirit Vincent Foster. But at some point, one has to ask whether the nastiness of public life is undermining the very capacity for self-government — whether

the toll being exacted falls not only on individuals but also on the ability to reason together, which is what republican government is supposed to be about.

The Washington Post

Spreading It Around In the Sweaty Family

By Ron Nyswander

Paramount Pictures decided to do something quite nice for several people connected to its new film "The Firm." The studio bought new \$100,000 Mercedes-Benz 500 SL convertible two-seaters for the filmmakers and star. "The attempt is to make this a warmer and more human place, where people feel part of a family," Paramount Chairman Sherry Lansing said.

NEW YORK — The other morning, I stopped into Bridget's Press and Go to pick up my dry cleaning. The air conditioner was down, the place smelled like formaldehyde. Sweat covered Bridget's forehead as she heaved my clothes off the motorized rack. I could see she was working hard, really hard. I felt something. Gratitude, guilt. I decided then and there: I

MEANWHILE

had to let Bridget know she was appreciated. I stopped in to say "hello" and to thank her for her work. "That's \$35," she said, holding out a hand muscled from years of tying hangers together with twist-ties. It occurred to me that Bridget was merely doing her job and being well paid for it. Wasn't that appreciation enough?

"We fixed the hem of your trousers," she said. "No charge." There it was: She had gone the extra mile. Strangers do only what they have to do, but Bridget had done more than I had asked, the way your family is supposed to do more than is required. I realized, Bridget was family.

"Take my Rolox," I said. "What?" She was confused. But I wasn't. I was opening my arms to a member of my extended family. It was a small gesture, but one that would turn the sweltering dry cleaning shop into a warmer, more human place. "I want you to know I appreciate what you've done," I said.

Bridget seemed moved, but she didn't take the watch. "Mr. Nyswander," she began. "Please," I interrupted. "Call me Ron. No, call me Ronnie Lee." It's what my mother had called me until my 13th birthday. I'd always hated the name, but hatred is also a family feeling. "You're working so hard, Bridget. I insist."

"I'm not working that hard," she said. "Not as hard as Tim." She pointed to a young man on a ladder, his head swallowed up by the silent, 20,000 Bu air-conditioning unit. His uniform was soaked through with sweat. He was working very hard.

"Usually, I've got air-conditioning," Bridget continued. "Even when it's 105. But think of Tim. He never gets to work in air-conditioning, since it's his job to fix the air conditioner."

"She had a point," "Tim?" "Huh?" echoed from the unit. "I want you to take this," I held out the \$30 watch. "Because you work so hard, and I want you to know I appreciate it." "Wait a minute, damn it..." Tim's sleeve was caught on a Freon tube. So I returned my attention to Bridget, still concerned about showing my appreciation for the repaired hem. I handed over the keys to my truck.

"It's red," I said, apologetically. "But if you don't like red, I'll pay to have it repainted. Your spouse can choose the color." At that moment, Bridget's spouse, Irving, backed away from a press. His face beet-red. I could see that Irving was working hard. "Does it have a driver's side airbag?" Irving asked. Finally, someone was getting into the family spirit!

Just then Armand, my plumber, stepped into the shop to pick up his head-to-toe protective jumper that filters out the asbestos fibers floating around my crawl space. Here I was drawing Bridget and Irving and Tim into my family, and I had completely forgotten Armand! It was one of those awkward moments.

I'll never forget the look on Armand's face when I handed over the deed to my house. Later, standing on the highway holding my dry cleaning, homeless, without a vehicle, I reflected with satisfaction on my new, extended family. The sun was beating down as I stuck out my thumb to hitchhike to God knows where, but at least I was finally beginning to feel warm and human. Really, really warm.

Mr. Nyswander, screenwriter of the forthcoming film "Philadelphia," contributed this tale to The New York Times.

LETTERS TO THE EDITOR

The Missing Link: Marker for Compassion Gene

Regarding "Science Ought to Stay Out of the Gay-Rights Fight" (Opinion, July 24) by Charles Krauthammer:

Mr. Krauthammer points out that science produces facts that are ambivalent at best. He includes the question: Does science "tell us anything at all about how society ought to treat diabetics, alcoholics and schizophrenics?"

No, science doesn't tell us that, but what distinguishes human beings from computers and beasts is our capacity for compassion.

Diabetics, alcoholics, schizophrenics and homosexuals are human beings, our brothers and sis-

ters, and we should love them.

LEONARD NALENCZ, Richmond upon Thames, England.

Regarding "The Gay Gene: Rights Boon or Portent of Danger?" (July 19) by Natalie Angier:

The writer states that "liberals, who in the past dismissed a genetic explanation for such traits as intelligence, find themselves embracing the idea that sexual orientation is innate." I never met a liberal who rejected the idea that parents' genes had an influence on the IQ parameters of their offspring. Which liberals, and how far back in the past, did the writer have in mind?

RICHARD WILSON, Mobile, Alabama.

French Barricades

Regarding "Bring Down Those New Bastille Walls" (Opinion, July 12) by John Vinocur:

I disagree. No European country has ever offered foreigners more opportunities than France. Out of hundreds of cases of immigrants who did well in France, just think of two Italians: Yves Montand and Pierre Cardin. But now it is impossible for France to absorb people from so many different cultures. France is entitled to defend its old nationality.

WALTER MACCOTTIA, Rome.

Nowhere in the article does Mr. Vinocur mention France's large

unemployed population. With unemployment so high, it would be folly not to expel illegal immigrants. Furthermore, not only should France accept more immigrants, but it should also come down hard on those people who hire them.

PETER ADAMS, Paris.

Reform in Seoul

Regarding "Kim the Reformer Is Out on a Long Korean Limb" (Opinion, July 10) by Donald Kirk:

In many respects, the new president of South Korea, Kim Young Sam, is different from his predecessors, all of whom vowed at the

outset to root out corruption but ended up giving in.

First, Mr. Kim was born to an affluent family, in contrast with former President Park Chung Hee, Chun Doo Hwan and Roh Tae Woo, who came from impoverished backgrounds. Thus, as even his critics concede, Mr. Kim's political ambitions have not been guided by a hunger for money.

Second, he has been a lifelong democrat struggling for democracy in South Korea. His predecessors, each of whom had a military background, came to power by military means.

Some foreign analysts, including Mr. Kirk, express concern about the possibility of a coup by the disgruntled groups. But since he became president Mr. Kim has weeded out generals found to have been corrupt. The key military commanders in South Korea today are those who were exiled from the inner circle of previous regimes. Ordinary soldiers, the grass roots of the army, are pleased with Mr. Kim's moves.

A handful of interest groups are certainly disgruntled, but most opinion polls indicate that more than 90 percent of South Koreans support him. The anti-corruption drive also is designed, in the long run, to help develop a healthy business environment free of red tape. The question is how much President Kim can do in a short, five-year term.

PASCAL DAUMAS, Paris.

Kurils: Yes, but...

Regarding "Russia Agrees to Talk With Japan About Kuril Islands" (July 9) by Steven Brull:

Few would question the fact that Kuril Islands should be returned to Japan. As Prime Minister Kiichi Miyazawa told President Boris Yeltsin: "Complete normalization of Japanese-Russian bilateral relations would open up great prospects for necessary cooperation, not only bilaterally but also for cooperation in the Asia-Pacific region."

But this land-for-money deal is related to World War II. During that period Japan committed war crimes all over Asia. Nazi Germany did the same in Europe. The difference is that the Germans apologized to the world for what they did. Return the land to Japan. Get aid from Japan. But if Japan is eager to improve cooperation in the Asia-Pacific region, obtain something more: Official apologies to the Asian men and women whose parents were murdered, tortured, raped and exterminated by the Japanese Imperial Army.

These official apologies would not hurt the Japanese people's feelings, as many Japanese are fully aware of what was done during that period, and of who was responsible for it.

PASCAL DAUMAS, Paris.

Blame Croatia?

The obvious intent of the editorial "Secure the Safe Areas" (June 14) is to put the blame on Croatia and the Croats of Bosnia for the

war in Bosnia. First of all, the Croats of Bosnia did not reject the Bosnian government's declaration of independence more than a year ago but rather participated in it along with the Muslims. Croatia also has taken in more than 200,000 Bosnian exiles, the majority of whom are Muslim.

The Croats of Bosnia were the first to defend the territorial integrity of Bosnia against Serbian aggression through the Croatian Defense Council forces when no Bosnian army existed. Croats were the first to sign the Vance-Owen peace plan, while Serbs rejected it and Muslims signed reluctantly.

P. RAJIC, Rome.

No Change of Heart

Regarding "Midwest: All Stand to Gain" (Opinion, June 14):

Shibley Telhami lists Libya's authorized pilgrimage by private citizens to Jerusalem as a symptom of improvement. That pilgrimage turned out to be a calculated plat-

form from which to attack Israel and Saudi Arabia, to the deep embarrassment of the Israeli government.

TESSA L. AUMAN, Jerusalem.

Saint-Exupéry's Math

In response to "350 Years Later, Math Commandment Bites the Dust" (June 25):

Antoine de Saint-Exupéry, the famous French writer, was a fan of mathematics. In April 1943, a few months before being downed over the Mediterranean, he had lunch with me in an Algiers bistro. Knowing my training in math, he wanted to show me that he had solved the Fermat riddle. He started writing a series of equations on a paper napkin. Unfortunately, I had to stop him halfway. There was a mistake in his calculations. My own mistake was not to have kept the paper napkin with its precious manuscript.

ISIA LEVIANT, Paris.

BOOKS

GREENWICH VILLAGE: Culture and Counterculture

Edited by Rick Beard and Leslie Berlowitz. 420 pages. \$29.95. Rutgers University Press.

Reviewed by Jonathan Yardley

THE Manhattan neighborhood known as Greenwich Village, George Chauncy writes in an essay on homosexuality in the area, over the years "came to represent to the rest of the city what New York as a whole represented to the rest of the nation: a peculiar social territory in which the normal social constraints on behavior seemed to have been suspended and where men and women built unconventional lives outside the family nest."

The Village has been home to visionaries and poets, radicals and eccentrics, not to mention frauds,

opportunists and cheats; it is, as the editors of this useful if incomplete volume write, "one of the world's most noted centers of difference."

As both New Yorkers and visitors know, the Village is also a place of considerable physical charm. Centered on Washington Square, it has managed to retain a relatively low skyline by contrast with those immediately to its north and south, thereby achieving architectural and aesthetic as well as cultural difference. For tourists it is an obligatory stop, offering as it does a glimpse of the bohemian life; some of them return to set up their own lives as Villagers, in the process reinforcing the myth that it is a free zone, a place where the rules of native New Yorkers that the Village has always most powerfully appealed.

An important and interesting question about the Village, one that is addressed only glancingly in these essays and photographs, is

whether the bohemian atmosphere for which the Village has so long been celebrated, or notorious, is anything but a mere atmosphere. Is the Village a place where serious art and writing are accomplished, as well as serious political and social action, or is it just a place where going through the motions of bohemian and cashing in on their tourist appeal are of greater consequence than the art upon which its reputation rests?

Although these essays describe at length the intellectual history of the Village, they do not in fact contain a great deal of evidence to indicate that it has contributed as much to American culture as the authors would have us believe.

H. L. Mencken inclined to the view that "the Village, like the Paris Left Bank, was much less literary or artistic than sexual," a judgment that this volume does little to refute. Certainly there have been writers, artists and others who have managed to reside in the Village and do serious work as well — e.g., Cummings, John Stein, Theodore Dreiser, Emma Goldman — but all too many of those whose names have become synonymous with the Village are more noted for flamboyance and self-promotion than for real accomplishment.

Thus it is that any history of the Village, this one included, is populated by the likes of Mable Dodge, Jane Heap, Elsie von Freytag-Loringhoven, Guido Bruno, Clara Tice, Romany Marie, Tiny Tim, Julian Beck and Judith Malina.

Most of them are deservedly long forgotten, having made no marks more lasting than the ephemera to which their lives were devoted; these endeavors ranged from presiding over salons to inventing outfits to serving as major (or

majority) donors of bars and restaurants, but they had in common a preoccupation with promoting the names and fortunes of the entrepreneurs in question rather than creating anything of lasting value and/or influence.

In fact, as a number of these essays indicate, artistic activity both actual and bogus is a relatively minor part of the Village's past. Readers unfamiliar with the history of New York City are likely to find more of interest in essays about the Village's distant past than those dealing with matters of more recent vintage, for in these pieces we are granted a few glimpses of a "sleepy country town" that evolved over the years into a "popular resort for fashionable day-trippers" and then into the "Old New York" celebrated and mourned in the fiction of Henry James and Edith Wharton.

Few vestiges of that era remain; apart from the houses along the northern border of Washington Square, the Village bears virtually no resemblance to the place that James and Wharton knew. Yet if its residents have changed, it is still primarily a residential place. As one of these essayists points out, it has never had an industrial base; its commercial base, though broad, is also shallow. Thus its economy and character largely depend on those who live there, who as it happens are these days a considerably more conventional lot than the neighborhood's reputation would lead one to suspect.

There are more stories to be told about Greenwich Village than are to be found here, but within its limits this is an informative, interesting book.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

THERE were some major surprises in the European Championships, sponsored by Generali, an Italian insurer, which ended last month in Milan, France. It was not surprising that Poland won the open title, but neither France, the reigning Olympiad champions, nor Iceland, the reigning Bermuda Bowl champions, did well enough. A minor consolation for the French was that one of their players, Michel Lebel, played one of the best hands of the championships. On the diagrammed deal, played against Slovenia, he played in three no-trump after a Jacoby transfer response by his partner, "showing hearts."

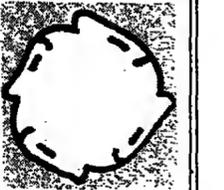
The diamond opening lead, using a fifth-best style, was ducked in dummy and South dropped the nine under East's queen. East feared that South held the diamond jack and shifted to a heart, a timid decision that proved fatal. South finessed the heart queen, losing to the king, and West had lost a crucial entry. He reverted to diamonds and South ducked again in dummy. East won with the king and played a third round of diamonds to the ace. This established two



Neither side was vulnerable. The bidding: North East South West. Pass Pass 1NT Pass. 2♦ 2♦ 2♦ Pass. 3NT Pass Pass Pass. West led the diamond ace.

WHAT THEY'RE READING

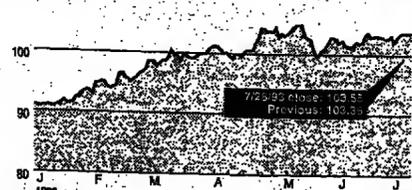
Eberhard Diepgen, mayor of Berlin, is reading "Die Berliner Lektoren 1991," a collection of articles adapted from speeches by people such as Andre Glucksmann, Nadine Gordimer and Yehudi Menuhin. Diepgen missed the Berlin evening of readings by the authors, so is looking at the book instead. "I benefited greatly and profited from the wisdom of these people." (Michael Kallenbach, IHT)



Advertisement for Sprint Express international calling service. Includes headline 'Still trying to make an international call without Sprint Express?', a list of countries and phone numbers, and a 'Telefon' image.

THE TRIB INDEX: 103.55

International Herald Tribune World Stock Index is composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	Prev.	Change
Asia/Pacific	25%	122.50	122.39	+0.11
Europe	4%	98.11	97.33	+0.78
N. America	35%	92.90	93.38	-0.48

Industrial Sectors	Week close	Prev. close	% change
Energy	103.28	102.51	+0.75
Utilities	109.80	109.03	+0.80
Finance	114.16	113.90	+0.23
Services	111.91	111.41	+0.45
Capital Goods	88.92	100.21	-0.29
Raw Materials	101.76	102.04	-0.27
Consumer Goods	85.49	85.84	-0.18
Miscellaneous	100.71	99.95	+0.76

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 101 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

INTERNATIONAL MANAGER

In Office Computer Wars, Management Strikes Back

By Allen R. Myerson
New York Times Service

NEW YORK — The personal-computer revolution was supposed to transform the office into a high-tech, high-efficiency web of concentration. And maybe it has. But it's also turning it into an electronic sandbox. Computer games, bulletin boards and electronic message systems are creating countless new ways to goof off.

Industry executives estimate that millions of games infiltrate offices each year, despite widespread rules against illicit software or unauthorized computer use. The personal-computer industry, after all, was created by young firebrands who wanted to liberate office computers from bureaucrats and engineers. Some executives still say games are harmless and can even be training tools.

But many a tolerant boss has turned tougher. Richard A. Shaffer, chief of Technology Partners, mounted a counterattack a few years ago against the advance of Tetris and Amos! telling his staff that the deadlines for the 40 computer converters they produced should play-acting withered. But jokes, movie reviews, party plans and other diversions filled the network until it crashed. Another staff meeting ensued.

When cyberbosses get angry, though, they're the ones with computing power on their side: software that lets them explore employees' hard disks, read messages they've sent, even see what's on their screens.

The Software Publishers Association, which wants to curb piracy, encourages them to sneak around after hours with a program that can find games. "It kind of surprises management," said Irene Rosenthal, the association's general counsel. "They don't know that all these games are on the hard drives of employees."

EDS, the data-services concern that was founded but is no longer owned by Ross Perot, deploys a wide array of psychological and electronic weaponry. Data-security coordinators scour workers' computers. The company's encouragement encourages workers' computers. The company's encouragement encourages workers' computers.

Still, some bosses think that's not enough. Thomas R. Peltier, who wrote computer rules for General Motors and EDS and is now a consultant, once worked with a security officer from a military base in Hawaii. The officer's tactic for ensuring that workers stuck to their programs? "I pack a gun," he said. "I put them in the brig."

CURRENCY & INTEREST RATES

Cross Rates	July 26
Amersterdam	1.58 2.80 1.06 0.235 0.122
Brussels	25.85 5.28 2.75 0.88 1.25
Frankfurt	1.78 2.54 1.44 0.75 0.82
London (S)	1.81 1.81 1.81 1.81 1.81
London (L)	1.81 1.81 1.81 1.81 1.81
Madrid	168.27 28.82 1.81 0.21 0.21
Mexico	1.28 2.21 1.28 0.21 0.21
New York (D)	1.00 1.00 1.00 1.00 1.00
Paris	1.81 1.81 1.81 1.81 1.81
Porto	1.81 1.81 1.81 1.81 1.81
Stockholm	1.81 1.81 1.81 1.81 1.81
Zurich	1.81 1.81 1.81 1.81 1.81

For EC Steel Firms, No Celebration Deadline Approaches for Tough Decisions on Cuts

By Tom Buerkle
International Herald Tribune

BRUSSELS — For Europe's steel industry, Tuesday's U.S. ruling rejecting duties on most imports was the easy part of its painful restructuring, removing a threat to some \$400 million a year in steel sales.

The going is about to get much harder. European Community ministers are racing against the clock to persuade state-owned steelmakers in Italy, Spain and the former East Germany to shutter plants and kick the habit of billions of dollars in government subsidies by next month. Only then will private-sector producers chip in and make big cuts themselves in capacity and jobs.

"It cannot make sense to support and subsidize inefficient producers at the expense of the efficient," Chairman Brian Moffat told shareholders at British Steel's annual meeting in London on Wednesday.

But success in this effort is far from certain to come by the Community's self-imposed deadline at the end of September.

With steel-consuming industries such as autos and construction depressed and every major EC steelmaker running heavy losses, Brussels estimates that the steel industry needs to cut capacity by nearly 20 percent to restore its health. That means shutting at least 30 million tons of crude-steel capacity and putting more than 70,000 of its nearly 400,000 workers onto the streets.

Inflating that pain in the midst of a recession and finding ways to share cutback costs

of perhaps 8 billion European Currency Units (\$9.04 billion) will not be easy.

"It will be very tough to reach these 30 million tons, very tough," said Barbara Haas, a steel analyst at Deutsche Bank Research in Frankfurt.

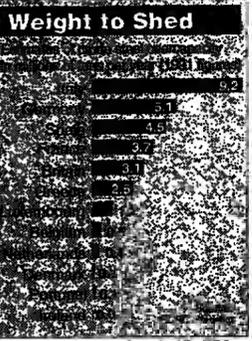
More than in most industries, she said, decisions on shutting huge steel plants reach far beyond profit-and-loss calculations, large though the numbers are. "In most cases, it's a political and social problem as well," Mr. Haas said, as many of the steelworks are in "areas where there are no alternatives" for employment.

The EC Commission, however, itself has no alternative to the drastic cuts. The competition commissioner, Karel van Miert, has warned that failure to agree on a plan to shrink the state-owned steelmakers and their subsidies when EC industry ministers meet Sept. 21 could trigger a wild grab for government aid by ailing producers, public and private alike.

In an industry that soaked up 125 billion Deutsche marks (\$72.6 billion) of public subsidies between 1975 and 1991, that is no idle threat.

Mr. van Miert last week persuaded the Italian government to drop a plan to absorb 4 billion Euros of debt of the state-owned steelmaker Ilva, but Rome has not yet shown any willingness to cut Ilva's capacity by the 3 million tons, or nearly 30 percent, that Brussels is seeking. Mr. van Miert has given the government a month to draw up a new restructuring plan, but analysts say it may not come before October.

Mr. van Miert made no apparent progress toward toughening up Spain's restructuring plan in talks with Industry Minister Juan Miguel Eguiguren on Wednesday. The Spanish plan would use subsidies of 600 billion pesetas (\$4.34 billion) to cut 1.7 million



Weight to Shed

U.S. Companies to Appeal ITC Ruling Lifting Duties

WASHINGTON — U.S. steelmakers are expected to appeal unfavorable rulings in a long-running dispute with foreign competitors, raising the prospect of continued tensions with some of America's major trading partners.

American steel executives announced their intentions to appeal the decision late Tuesday after the U.S. International Trade Commission reached a divided conclusion in 74 complaints filed by American companies against overseas producers. In more than half the cases, the commission found no evidence of harm or threat to U.S. steelmakers, in effect lifting stiff temporary import taxes in several dozen cases.

And while the European Community's vice president for external economic affairs, Sir Leon Brittan, said the rulings that lift duties on some imports of steel "will help to defuse substantially what had become a very grave

trade dispute," not everyone agreed. Steel-exporting countries expressed dismay at the fact that the U.S. rulings left taxes in place in a large minority of cases.

An official at Japan's Ministry of International Trade and Industry said of the U.S. decision: "We value that the ITC reversed its decision on hot-rolled and cold-rolled steel imports. But it's regrettable that they did not accept Japan's position on corrosive-resistant steel plate."

In Germany, too, Economics Minister Ginter Rexrodt said he was "disappointed" at the decision to maintain duties on certain types of steel imports. "The EC should take steps within the GATT framework to check whether the U.S. measures conform to GATT rules," Mr. Rexrodt said.

The Dutch steelmaker Hoogovens said it was considering appealing the duties on some of its exports, while Australia, which was also hard-hit, called the decision unfair.

The ITC decision "is obviously a mixed result," said the chairman of Bethlehem Steel, Curtis H. Barnett, speaking on behalf of the industry. We "owe it to our stockholders and to our workers to use every legal means to obtain a fair result in those cases where we did not prevail," he said, adding, "This just isn't over yet."

U.S. producers say they have lost billions of dollars and tens of thousands of jobs in recent years because of cut-rate imports and unfair subsidies.

But the ITC — the final stop in the government's review of the complaints — said 42 of the cases failed to show any harm or threat to the U.S. industry. That finding lifted the temporary duties in those cases, which must be repaid with interest.

GM and VW Trade Insults in López Case

By Rick Atkinson
Washington Post Service

BERLIN — The bitter dispute between General Motors and Volkswagen over alleged industrial espionage erupted in public name-calling Wednesday as the two carmakers traded accusations and insults.

The Volkswagen board chairman, Ferdinand Piëch, accused VW's archival GM of misusing the German justice system and conducting a vendetta against VW. "This is misleading and we will use every means available to come out as winners in the end," Mr. Piëch declared in a nationally televised news conference from VW's headquarters in Wolfsburg.

In language rich with martial metaphors and occasionally apocalyptic turns of phrase, the chairman noted that automakers worldwide had the capacity to make 40 million vehicles annually but were only selling 30 million. The emnity between GM and Volkswagen reflects this "survival struggle," he said. "To me, that's a form of war," Mr. Piëch said. "I don't see a peaceful end to this conflict."

GM's German subsidiary, Adam Opel AG, which has filed a criminal complaint against VW's production chief, José Ignacio López de Arriortua, returned the fire by rejecting Mr. Piëch's charges as "without any substance" and accusing him of sinking to "an amazingly low level."

Opel also scheduled its own news conference for Thursday morning to further impugn Mr. López, who has been accused by GM of pilfering secret company documents before defecting to VW last March. Mr. López was on vacation in his native Spain.

Mr. Piëch, an engineer whose grandfather developed the famous Volkswagen Beetle, spent more than an hour defending his company, blasting the competition and analyzing the moribund European automobile industry. He reiterated his "full support" for Mr. López, and denied that VW ever received or planned to obtain confidential GM documents.

"From my point of view it is intolerable the way the American GM/Opel group is leading a personal campaign of revenge against Dr. López and at the same time trying to misuse the state prosecutors, the media and the public in order to denigrate our company," Mr. Piëch added.

A GM executive, speaking on condition that he not be identified, said that VW appeared to be trying to appeal to German pride by hinting that an American corporation was unfairly persecuting a home-grown company. Opel has operated in Germany for more than a century and employs some 50,000 workers, most of them German, the executive said. "Does anybody remember where Piëch's passport was issued?" he added. "He's Austrian. And his No. 2," referring to Mr. López, "is a Spaniard."

A Tale of 2 Companies: ICI, Zeneca Ready Results

By Erik Ipsen
International Herald Tribune

LONDON — Imperial Chemical Industries PLC, which has undergone one of the most extensive reorganizations in recent years, will reveal results on Thursday for the first time since the demerger of Zeneca Group PLC, its pharmaceuticals and agrochemicals arm, last month.

Analysts say the jury is still out on the merits of the demerger itself, but the divergent fortunes of the two companies will be evident. While cost-cutting and the deval-

uation of the pound will be major pluses for both companies, even those pros will not have been enough to prevent a further slide in ICI's operating profits. In the face of a deep recession in the European chemical industry, ICI is expected to post operating profit of around £225 million (\$223 million), compared with £164 million in the same period in 1992.

For Zeneca, the James Capel analyst Lucas Hezmann predicted a pretax profit of £220 million for the first half, a rise of 23 percent.

REPUBLIC NATIONAL BANK OF NEW YORK

Assets	1993	1992	Liabilities and Stockholder's Equity	1993	1992
Cash and due from banks	\$ 426,890	\$ 387,390	Noninterest-bearing deposits	\$ 913,752	\$ 750,493
Interest-bearing deposits	6,958,974	9,898,081	In foreign offices	97,277	82,440
Precious metals	659,974	382,444	Interest-bearing deposits:		
Securities held for investment	10,637,041	8,561,921	In domestic offices	4,268,171	4,457,099
Securities available for sale	79,294	13,190,022	In foreign offices	13,190,022	12,108,292
Total investment securities	10,716,335	8,575,921	Total deposits	18,489,222	17,386,324
Trading account assets	700,444	648,616	Short-term borrowings	2,647,055	3,373,441
Federal funds sold and securities purchased under resale agreements	2,128,370	2,414,109	Acceptances outstanding	1,038,468	1,103,750
Loans, net of unearned income	4,099,839	4,314,800	Accrued interest payable	215,509	278,553
Allowances for possible loan losses	(183,458)	(176,375)	Other liabilities	1,489,870	959,657
Loans (net)	3,916,381	4,138,425	Long-term debt	1,939,939	1,771,396
Customers' liability on acceptances	1,033,757	1,096,283	Subordinated long-term debt, primarily with parent	581,124	58,548
Premises and equipment	296,154	313,389	Stockholder's Equity:		
Accrued interest receivable	263,793	262,701	Common stock, \$100 par value:		
Investment in affiliate	665,307	386,999	4,800,000 shares authorized:		
Other assets	528,317	386,999	3,550,000 shares outstanding	355,000	355,000
Total assets	\$28,317,528	\$26,925,233	Surplus	1,780,828	1,180,654
			Retained earnings	443,813	389,910
			Total stockholder's equity	1,959,441	1,885,564
			Total liabilities and stockholder's equity	\$28,317,528	\$26,925,233

Letters of credit outstanding: \$ 1,386,719 vs. \$ 1,261,077

The portion of the investment in precious metals not hedged by forward sales was \$15.7 million and \$17.1 million in 1993 and 1992, respectively.

REPUBLIC NEW YORK CORPORATION

Summary of Results	Six Months Ended June 30, 1993	Three Months Ended June 30, 1992
Net income	\$ 143,873	\$ 124,303
Cash dividends declared on common stock	\$ 28,300	\$ 28,083
Per common share		
Net income:		
Primary	\$ 2.48	\$ 2.12
Fully diluted	\$ 2.41	\$ 2.08
Cash dividends declared	\$.54	\$.50
Average common shares outstanding:		
Primary	52,267	52,069
Fully diluted	60,271	60,271

World Headquarters: Fifth Avenue at 40th Street, New York, New York 10018
(34 offices in Manhattan, Bronx, Brooklyn, Queens and Westchester & Rockland counties)

Member Federal Reserve System/Member Federal Deposit Insurance Corporation/Member New York Clearing House Association

NEW YORK • GENEVA • TOKYO • LONDON • ZURICH • LUZERN • LUXEMBOURG • PARIS • MONTE CARLO • GIBRALTAR • MILAN • QUENSBURY • BERLIN • LOS ANGELES • BREITENBURG • HAMBURG • CANNES • SINGAPORE • HONG KONG • TAIPEI • JAKARTA • BEIJING • MONTREVIDO • PUNTA DEL ESTE • BUENOS AIRES • SANTIAGO • MEXICO CITY • CARACAS • RIO DE JANEIRO

Chrysler's Net Quadruples as Ford's Doubles

Compiled by Our Staff From Dispatches

DETROIT — Ford Motor Co. said Wednesday that its second-quarter earnings had doubled, while Chrysler Corp.'s after-tax profit was nearly four times as high as in the same period last year.

Both Chrysler and Ford performed better than Wall Street had expected. The two companies have enjoyed record sales of light trucks and minivans recently, reflecting what analysts say is a pent-up demand for new vehicles.

Ford earned \$775 million in the second quarter, up from \$387 million a year ago.

Chrysler reported earnings of \$685 million in the quarter, compared with \$178 million in the 1992 second quarter. The latest results included one-time gains of \$71 million from the sale of Mitsubishi Motors Corp. stock and \$39 million from the sale of its Acustar Plastics operations.

Wall Street analysts had estimated Chrysler would earn about \$513 million, while the consensus for Ford had been for a profit of about \$623 million.

Ford cited higher profit in its U.S. automotive division and a record profit by the Financial Services Group. Chrysler has been a Wall Street favorite and set several sales records for its truck line in the second quarter.

David McCammon, Ford's treasurer, said the quarter was its best in four years despite a loss of \$75 million in recession-weakened Ford of Europe. The British luxury carmaker Jaguar, which Ford purchased last year, was also a factor.

"The big picture is that right now, they're benefiting from not being in Europe," Ford's Mr. McCammon said. Chrysler, "I'd prefer to be in Europe in the long run." (AP, UPI)

Merck to Pay \$6 Billion For Health-Care Firm

Compiled by Our Staff From Dispatches

RAHWAY, New Jersey — Merck & Co., the world's largest pharmaceutical company, said Wednesday it had agreed to buy Medco Containment Services Inc., a mail-order supplier of prescription drugs for large companies, for \$6 billion in cash and stock.

Merck and other pharmaceutical companies have seen profits squeezed recently by the greater scrutiny that insurers and health-care providers are giving to prescription-drug costs. The health-care proposal being drafted by the U.S. administration may take that scrutiny even further.

Merck had revenue of \$9.7 billion last year. Medco, based in Montvale, New Jersey, manages prescriptions for employer health-benefit plans covering a total of 33 million Americans.

"What Merck is buying is a distribution channel to managed care," said Kenneth Novor, a drug analyst at A.G. Edwards & Sons Inc. in St. Louis.

Managed care refers to health plans such as health-maintenance organizations in which patients are restricted to using certain doctors and clinics in an effort to hold down the cost of medical care. Such arrangements are growing in popularity, and Merck's purchase of Medco represents an effort to enter that arena, Mr. Novor said.

Their agreement followed an acknowledgment by Medco that it was talking with various drug companies about some type of business relationship.

Medco's stock soared Wednesday in heavy over-the-counter trading. It closed the day at \$34.125 a share, up \$4.375, on very heavy volume. Merck closed down \$1.375 at \$30.75 on the New York Stock Exchange.

The transaction gives Medco holders a choice of receiving either \$39 in cash or 1.21 Merck shares for each Medco share, Merck said, on condition that the total it pays is 60 percent in Merck stock and 40 percent in cash. (AP, Reuters, Bloomberg)

Warner-Lambert plans links with Wellcome and Glaxo. Page 11.

MARKET DIARY

Corporate Earnings Depress Blue Chips

NEW YORK — Blue-chip stocks dropped on Wednesday, depressed by weak corporate earnings reports...

N.Y. Stocks

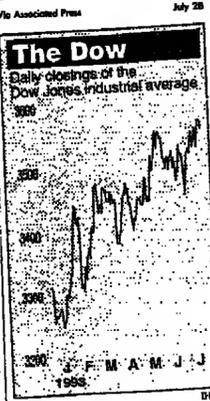
Stock Exchange outnumbered advances by a small margin. But the Nasdaq over-the-counter index jumped 4.59 points to 705.99.

RATES: Bundesbank Gives a Sign

Sachs & Co. in Frankfurt. "But this would show it was giving priority to the ERM," he added.

Foreign Exchange

markets, to 6.95 percent from 7.15 percent last week. The drop was beyond the expectations of most analysts who had seen a fall to 7 percent as the limit.



NYSE Most Active

Table listing NYSE Most Active stocks with columns for Volume, High, Low, Last, and Change.

AMEX Most Active

Table listing AMEX Most Active stocks with columns for Volume, High, Low, Last, and Change.

NYSE Diary

Table listing NYSE Diary items with columns for Date, Description, and Price.

Amex Diary

Table listing Amex Diary items with columns for Date, Description, and Price.

NASDAQ Diary

Table listing NASDAQ Diary items with columns for Date, Description, and Price.

Dow Jones Averages

Table showing Dow Jones Averages for Industrials, Transportation, Finance, and Utilities.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes for Industrials, Transportation, Finance, and Utilities.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrials, Finance, and Utilities.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrials, Finance, and Utilities.

AMEX Stock Index

Table showing AMEX Stock Index with High, Low, Close, and Change.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 30 Bonds and 10 Industrials.

Market Sales

Table showing Market Sales for NYSE 4 a.m. volume, AMEX 4 a.m. volume, and NASDAQ 4 a.m. volume.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for July 27, 28, and 29.

S&P 100 Index Options

Table showing S&P 100 Index Options for various strike prices.

EUROPEAN FUTURES

Food

Table showing European Futures for Food items like Wheat, Corn, and Soybeans.

Metals

Table showing European Futures for Metals like Aluminum and Zinc.

Financial

Table showing European Futures for Financial instruments like Sterling and Gold.

Industrials

Table showing U.S. Industrial futures prices for various sectors.

Stock Indexes

Table showing U.S. Stock Indexes for NYSE, AMEX, and NASDAQ.

Spot Commodities

Table showing U.S. Spot Commodities prices for various goods.

Dividends

Table showing U.S. Dividends for various companies.

U.S. Orders Surge, Led by Aircraft

WASHINGTON (Reuters) — Orders received at U.S. factories for durable goods jumped at the fastest clip in six months during June...

Kodak's Earnings Rose in 2d Period

ROCHESTER, New York (AP) — Eastman Kodak Co. said Wednesday that its earnings had risen 2.7 percent in the second quarter...

Digital Posts Profit, Sees Problems

BOSTON (AP) — Digital Equipment Corp. on Wednesday reported its first profitable quarter since 1951, posting net income of \$113.1 million...

Busch's Beer-Market Share Edges Up

ST. LOUIS (Combined Dispatches) — Anheuser-Busch Co. said Wednesday its volume sales of beer to wholesalers in the second quarter accounted for 41.9 percent of total brewing-industry sales...

Bethlehem Steel's Deficit Shrinks

BETHLEHEM, Pennsylvania (UPI) — Bethlehem Steel Corp., citing increased volume and cost-reduction efforts at two of its divisions, said Wednesday that its second-quarter deficit had narrowed by more than \$46 million.

For the Record

Tandem Computers Inc. reported a \$550 million quarterly loss and announced a restructuring that could involve up to 1,800 layoffs.

EC Warns Belgium on Debt

BRUSSELS — The EC Commission estimated Wednesday that Belgium's gross public debt had hit 140 percent of its annual economic output, raising doubts that the nation could meet criteria for EC monetary union.

U.S. FUTURES

Grains

Table showing U.S. Futures for Grains like Wheat, Corn, and Soybeans.

Metals

Table showing U.S. Futures for Metals like Copper, Aluminum, and Zinc.

Livestock

Table showing U.S. Futures for Livestock like Cattle and Hogs.

Financial

Table showing U.S. Futures for Financial instruments like Treasury Bonds and Bills.

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WORLD STOCK MARKETS

Amsterdam

Table showing Amsterdam stock market data for various companies.

Helsinki

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Hong Kong

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Brussels

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Johannesburg

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Frankfurt

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London

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Milan

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Stockholm

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Toronto

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Paris

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Sydney

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Tokyo

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Sao Paulo

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Madrid

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Singapore

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Zurich

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Stockholm

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Stock Indexes

Table showing Stock Indexes for various countries.

Commodity Indexes

Table showing Commodity Indexes for various goods.

Market Guide

Table showing Market Guide for various sectors.

Stock Indexes

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Paris Frees Funds for Aid Plan

Compiled by Our Staff From Dispatches PARIS — The government said Wednesday it would inject 70 billion francs (\$11.9 billion) of surplus "Balladur bond" revenue into the economy to boost jobs and corporate cash flow.

The sale this month of the bonds that Prime Minister Edouard Balladur announced in May to help fund France's battle against unemployment raised 110 billion francs, almost three times the government's initial target.

Private economists called the spending package announced Wednesday the next best thing to interest-rate cuts for an economy crying out for relief.

The unemployment rate in France is 11.5 percent and still rising, and thousands of companies are failing.

The budget minister, Nicolas Sarkozy, in giving details of the plan, said 35 billion francs would be used to improve the cash position of French companies by speeding reimbursement of their value-added-tax advances to the state.

In addition, 8 billion francs will be spent on modernizing school buildings, Mr. Sarkozy said this week. The government also will speed up the construction trade and the importance of the safety of schoolchildren.

A further 7 billion francs is to be allocated for apprenticeships and training young people, the minister said, and 20 billion francs will be used to finance spending on employment and investment in 1994.

In another measure to combat the effects of the recession, Mr. Sarkozy said the government would spend 5 billion francs to increase the annual school allowance it pays to about 2.5 million low-income families.

U.S. Link for Lufthansa? Tie-Up With United Considered Likely

WASHINGTON — Lufthansa may be the next European airline to announce an alliance with a U.S. carrier, many observers say.

"We think it's getting close," said Patrick Murphy, an assistant secretary for international policy at the U.S. Department of Transportation.

Alliances between U.S. airlines and European carriers have been cropping up all over. USAir and British Airways have one, as do Northwest Airlines and KLM Royal Dutch Airlines.

Now Continental has joined the trend. The Houston-based carrier said it would begin coordinating its flights with Air France, allowing passengers to travel more easily between Europe and inland points in the United States.

Analysts said the most likely partner for Lufthansa was United Airlines, which lacks a strong presence in Europe. "United might be the most logical choice," said Edmund Greenstein, aviation analyst and publisher of the Airline Monitor.

Lufthansa said talks had been held with several carriers, but no decision has been made yet. "We're definitely looking into joining with a U.S. partner," said Jim Freeman, a Lufthansa spokesman in New York. "United is definitely in the picture."

Analysts said United's major rival for Lufthansa's attentions was American Airlines. "I think there'll be a fight between American and United," said Paul Karos, an analyst with First Boston.

Either way, Lufthansa may find itself paired with one of the largest U.S. carriers. This would represent a departure from the big alliances announced so far, which have involved the second tier in the U.S. airline industry.

The weaker airlines were the first to seek the alliances because they knew they could not compete on international routes with the Big Three — United, American and Delta Air Lines.

Instead of investing millions to build international routes, the smaller carriers decided it was far cheaper to feed passengers into their systems by arranging alliances with foreign airlines.

Now the Big Three are getting in on the act, hoping to win passengers from the markets that are closed to them under the U.S. bilateral aviation agreements with other nations.

Down the road, U.S. aviation officials expect that the state of alliances and cross-border investments will help dissolve many of the restrictions on fares and capacity in these agreements.

"The commercial relationships will eventually break down the old bilateral system," said Mr. Murphy. "It's a growing trend."

If an alliance is announced, Lufthansa and its U.S. partner are likely to seek code-sharing rights from their home governments. Code sharing allows carriers to list linked flights under the same code. This tends to increase traffic on the route, because the linked flight is listed on travel agency computers as direct service.

U.K. Drug Firms Sign Deals With Warner-Lambert

By Richard W. Stevenson

LONDON — Warner-Lambert Co. said Wednesday it would tie its nonprescription drug division to those of two large British companies, highlighting growth potential in the over-the-counter sector of the industry.

Warner-Lambert said it had reached separate agreements with Wellcome PLC and Glaxo PLC to market nonprescription drugs, including those medications that are switched from prescription status.

The arrangements will help Warner-Lambert compete with two large rivals in the over-the-counter industry in the United States, Johnson & Johnson and American Home Products Corp. They also will provide consumer-marketing expertise and distribution networks to Wellcome and Glaxo, which concentrate on sophisticated prescription drugs.

Drug companies have been paying attention to the nonprescription business in recent years. Their strategies reflect a belief that as governments look for ways to cut health costs, they will be quick to approve nonprescription drugs to reduce the need for doctors' visits and the costs of dispensing medication.

The deal between Warner-Lambert and Wellcome is the more comprehensive. The companies will set up a venture, Warner-Wellcome Consumer Health Products, to sell all their over-the-counter products.

In the case of Zovirax, a herpes medicine, the companies said Wellcome would keep most of the profits from over-the-counter sales, while other existing product earnings would be split roughly in half. In future transfers from prescription to over-the-counter status, the companies

ny that originated the drug would keep the majority of the profits.

Wellcome's products to be contributed include Aciclovir and Sulfadiazole remedies and Neoprosin skin medication, while Warner-Lambert's consumer-health line features Listerine mouthwash and Benadryl antihistamine.

The other deal, primarily between Warner-Lambert and Glaxo, is built on the assumption that the ulcer drug Zantac, which had revenues last year of \$3.2 billion, has an equally bright future in over-the-counter form. It and other Glaxo drugs that shift to over-the-counter status would be sold through the Warner-Wellcome venture.

BT Profit Gain Misses Forecast

Compiled by Our Staff From Dispatches

LONDON — British telecommunications PLC said Wednesday its first quarter profit was up 27 percent in its first quarter, reflecting increased international calls and line rentals, but the results were short of many analysts' expectations.

BT said it had earned £757 million (\$1.13 billion) in the quarter ended June 30, compared with £596 million a year earlier. Earnings per share climbed 41 percent, to 7.9 pence from 5.6 pence. But sales rose only 1.9 percent, to £3.34 billion.

Forecasts of its earnings had ranged as high as £780 million. (Bloomberg, AFP)

Investor's Europe table with columns for Stock Index, Close, and % Change. Includes data for London FTSE 100, Paris CAC 40, Frankfurt DAX, and others.

Very briefly: Jacques de Larosiere, president of the Bank of France, is said to be the frontrunner for the post of president of the European Bank for Reconstruction and Development. EC sources said the EC had decided to back him over the other candidates, who include the EC finance commissioner, Henning Christophersen, Giuliano Amato, the former Italian prime minister, and Leszek Balcerowicz, the former Polish finance minister.

U.S. Tobacco War Sings BAT

Compiled by Our Staff From Dispatches

LONDON — BAT Industries PLC said Wednesday its first-half profit was held back by the price war among U.S. cigarette makers but its insurance results improved.

Overall, BAT's first-half net income rose to £906 million (\$1.35 billion), from £672 million in the similar 1992 period. For the second quarter, pretax profit rose 32.9 percent, to £550 million from £414

million. But that included a £135 million payment from American Brands Inc. as part of a deal in which the companies exchanged cigarette brands.

Without the one-time gain, first-half profit was virtually unchanged at £415 million.

Capri cigarettes by about 40 cents a pack, to approximately \$1.50.

In the second quarter, BAT said its tobacco operating profit fell 7.9 percent, to £268 million.

"The current year is demonstrating the strategic value of having a strong position in financial services as well as in tobacco," said the BAT chairman, Sir Patrick Sheehy.

STEEL: Deadline Approaches for Major Decisions by Companies and EC Governments on Industry Cutbacks

Continued from Page 9 tons of capacity, or 16 percent of 1992 output, and lay off 12,000 workers.

For its part, private industry is refusing to show its hand until the last moment.

Mr. McFat set his marker Wednesday, saying British Steel made the necessary cuts by shutting its integrated steel plant at Ravenscraig, Scotland, last year. "There can be no doubt that companies in mainland Europe need to emulate the actions British Steel have taken over the years," he said.

There is little enthusiasm for cuts on the Continent, however. The Dutch steelmaker Hoogovens has indicated that to remain a viable producer, it needs to hang onto the two plants it has. Germany's Klöckner

& Co., with only one plant left, must either maintain production there or get out of the business.

The German Steel Federation claims that its members will bear a proportionately lighter share of production cuts today because of deeper cuts in past years. Even so, the German industry is projecting a loss of 30,000 jobs by the end of next year.

In one key step to ease the pain of restructuring, the commission is expected to allow private steelmakers to pool the cost of cutbacks. The plan, which is due for approval in September, will allow more efficient producers to effectively buy market share from industry losers, and it calls for 1 billion Ecu of EC loans. The commission insists that the loans will be repaid in full

over eight years and won't become the grist of another subsidy battle.

The EC loans represent a small share of the estimated 4 billion Ecu it will cost the industry to shutter old plants. The bill for layoffs is expected to reach another 4 billion, with EC and national governments putting up just over 900 million Ecu, largely for worker-retraining programs.

The cost of cutting down hits industry when it can't afford it. Brendan Hoey, an analyst at Morgan Stanley International in London, forecast that Germany's Thyssen AG will post a loss of 595 million DM this year, after a profit of 318 million DM in 1992.

The brightest hope is British Steel, widely regarded

as Europe's most efficient producer. Mr. Hoey said the British economic recovery should enable British Steel to eke out a profit of £30 million to £40 million (\$44.7 million to \$67.1 million) in the year ending in March 1994, reversing a loss of £149 million in the last financial year. Ms. Haas of Deutsche Bank, however, predicts a further loss for British Steel this year and only a break-even year after that.

Steelmakers did manage to raise prices by 10 percent in April and 5 percent in July, and there is talk of another 10 percent increase around the end of the year. But if it does not address its basic problem of overcapacity, the industry will be at risk of a renewed price war as soon as it approaches the break-even point, Ms. Haas said.

EC Won't Vet Small Mergers

The Associated Press

BRUSSELS — Faced with stiff opposition from member states, the EC Commission decided Wednesday not to seek more powers to vet mergers between large companies.

Instead, the commission has proposed keeping the current threshold of 5 billion European Currency Units (\$5.6 billion) used to determine whether transactions or link-ups should be investigated as possible threats to competition.

The EC competition commissioner, Karel van Miert, told reporters that although most businesses favored more Community scrutiny, too many of the member governments were opposed giving the commission more authority.

If the threshold were lowered to 2 billion Ecu, as once proposed, it would nearly double the commission's yearly case load, to 110 cases from the current average of 60, according to Community estimates.

SUMMARY OF THE FINANCIAL YEAR 1992

GENERALI THE INSURER WITHOUT FRONTIERS.

Group Business. The Generali Group has further strengthened its position as leader in insurance on an international scale. Among its operations in 1992, the most important related to the Spanish market where, following the agreements with Banco Hispano-Americano, Generali assumed management of the holding in which each has an equal share and which controls six insurance companies with premiums amounting to some 200 billion pesetas. Generali furthermore acquired control of the Federation Ina. Co. of Canada in Montreal, of Atlas of Lima, and of an English holding company. It increased its majority stakes in the BMA of Kansas City — now up to 100% — and in the Financ Mediterranea di Sicurtà of Genoa. It set up holding companies, into which it put insurance shareholdings, in Belgium

and Germany and it took over an Italian farming company. In the early months of 1993 Generali has taken control of Nacional in Ecuador, has participated in the establishment of a company in Romania, Generala Asigurat, in which it has a majority stake, and has extended agreements with banking institutions for the distribution of insurance and financial products through banks' branches. Initiatives are also under way towards the twin objectives of, on the one hand, optimising the Group's structure in some of its traditional territories such as Belgium and Germany (following Holland where such an operation has already been completed) and, on the other hand, expanding the Group's presence in Latin America, East Europe and the Far East.

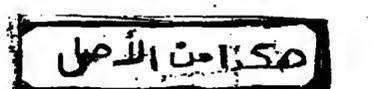
Parent Company Business. The Company gave priority to improving underwriting results, through an action to reform the portfolio and through adoption of an extremely prudent and selective policy in risk assumption, with particular attention to Italian businesses. The slight but intended slackening in premium growth rates brought about by this policy was fully compensated by the positive results achieved in improving the claims ratio which, as regards direct Italian non-life business, was reduced by six points. At the same time the account benefited from the inclusive action to contain costs that had been under way for some time and in 1992 alone enabled the costs-pre-

miums relationship in Italian business to be brought down by one and a half points. Altogether, however, global underwriting results deteriorated because of exceptional losses suffered in business abroad and determined in indirect business, by a series of natural calamities. But brilliant results in financial activities as well as considerable profits realized on the alienation of securities, partly deriving from operations of an extraordinary nature, together with gains emerging from foreign currency conversions, enabled underwriting losses to be fully made good, so that 111: annual results closed with a profit slightly above that of the preceding year.

1992 CONSOLIDATED STATEMENT table with columns for 1992 and 1991. Includes sections for ASSETS (000 ECU), LIABILITIES (000 ECU), INVESTMENTS, INSURANCE FUNDS, and PREMIUMS.

1992 HIGHLIGHTS table with columns for 1992 and 1991. Includes sections for Premiums written, Net investment income, Operating profit, Profit on sale of properties and securities, and Profit for the year.

Central Head Office in Trieste (Italy) The Generali Group, besides Italy, operates in Argentina, Australia, Austria, Bahamas, Belgium, Brazil, Canada, Colombia, Denmark, Ecuador, France, Germany, Gibraltar, Great Britain, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Japan, Lebanon, Luxembourg, Malta, Mexico, Principality of Monaco, Netherlands, Nigeria, Panama, Peru, Portugal, Romania, San Marino, Singapore, South Africa, Spain, Switzerland, Turkey, United Arab Emirates, United States, Venezuela.



NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE Ratio

12 Month High	12 Month Low	Stock	Div	Yld	PE Ratio
100.00	80.00	IBM	1.50	1.50	15.00
120.00	100.00	Microsoft	0.00	0.00	20.00
150.00	130.00	Apple	0.00	0.00	25.00
200.00	180.00	Oracle	0.00	0.00	30.00
250.00	230.00	Sun	0.00	0.00	35.00
300.00	280.00	Lucent	0.00	0.00	40.00
350.00	330.00	Motorola	0.00	0.00	45.00
400.00	380.00	Intel	0.00	0.00	50.00
450.00	430.00	AMD	0.00	0.00	55.00
500.00	480.00	ATI	0.00	0.00	60.00
550.00	530.00	3Com	0.00	0.00	65.00
600.00	580.00	Perceptics	0.00	0.00	70.00
650.00	630.00	NetScout	0.00	0.00	75.00
700.00	680.00	NetScout	0.00	0.00	80.00
750.00	730.00	NetScout	0.00	0.00	85.00
800.00	780.00	NetScout	0.00	0.00	90.00
850.00	830.00	NetScout	0.00	0.00	95.00
900.00	880.00	NetScout	0.00	0.00	100.00
950.00	930.00	NetScout	0.00	0.00	105.00
1000.00	980.00	NetScout	0.00	0.00	110.00
1050.00	1030.00	NetScout	0.00	0.00	115.00
1100.00	1080.00	NetScout	0.00	0.00	120.00
1150.00	1130.00	NetScout	0.00	0.00	125.00
1200.00	1180.00	NetScout	0.00	0.00	130.00
1250.00	1230.00	NetScout	0.00	0.00	135.00
1300.00	1280.00	NetScout	0.00	0.00	140.00
1350.00	1330.00	NetScout	0.00	0.00	145.00
1400.00	1380.00	NetScout	0.00	0.00	150.00
1450.00	1430.00	NetScout	0.00	0.00	155.00
1500.00	1480.00	NetScout	0.00	0.00	160.00
1550.00	1530.00	NetScout	0.00	0.00	165.00
1600.00	1580.00	NetScout	0.00	0.00	170.00
1650.00	1630.00	NetScout	0.00	0.00	175.00
1700.00	1680.00	NetScout	0.00	0.00	180.00
1750.00	1730.00	NetScout	0.00	0.00	185.00
1800.00	1780.00	NetScout	0.00	0.00	190.00
1850.00	1830.00	NetScout	0.00	0.00	195.00
1900.00	1880.00	NetScout	0.00	0.00	200.00
1950.00	1930.00	NetScout	0.00	0.00	205.00
2000.00	1980.00	NetScout	0.00	0.00	210.00
2050.00	2030.00	NetScout	0.00	0.00	215.00
2100.00	2080.00	NetScout	0.00	0.00	220.00
2150.00	2130.00	NetScout	0.00	0.00	225.00
2200.00	2180.00	NetScout	0.00	0.00	230.00
2250.00	2230.00	NetScout	0.00	0.00	235.00
2300.00	2280.00	NetScout	0.00	0.00	240.00
2350.00	2330.00	NetScout	0.00	0.00	245.00
2400.00	2380.00	NetScout	0.00	0.00	250.00
2450.00	2430.00	NetScout	0.00	0.00	255.00
2500.00	2480.00	NetScout	0.00	0.00	260.00
2550.00	2530.00	NetScout	0.00	0.00	265.00
2600.00	2580.00	NetScout	0.00	0.00	270.00
2650.00	2630.00	NetScout	0.00	0.00	275.00
2700.00	2680.00	NetScout	0.00	0.00	280.00
2750.00	2730.00	NetScout	0.00	0.00	285.00
2800.00	2780.00	NetScout	0.00	0.00	290.00
2850.00	2830.00	NetScout	0.00	0.00	295.00
2900.00	2880.00	NetScout	0.00	0.00	300.00
2950.00	2930.00	NetScout	0.00	0.00	305.00
3000.00	2980.00	NetScout	0.00	0.00	310.00
3050.00	3030.00	NetScout	0.00	0.00	315.00
3100.00	3080.00	NetScout	0.00	0.00	320.00
3150.00	3130.00	NetScout	0.00	0.00	325.00
3200.00	3180.00	NetScout	0.00	0.00	330.00
3250.00	3230.00	NetScout	0.00	0.00	335.00
3300.00	3280.00	NetScout	0.00	0.00	340.00
3350.00	3330.00	NetScout	0.00	0.00	345.00
3400.00	3380.00	NetScout	0.00	0.00	350.00
3450.00	3430.00	NetScout	0.00	0.00	355.00
3500.00	3480.00	NetScout	0.00	0.00	360.00
3550.00	3530.00	NetScout	0.00	0.00	365.00
3600.00	3580.00	NetScout	0.00	0.00	370.00
3650.00	3630.00	NetScout	0.00	0.00	375.00
3700.00	3680.00	NetScout	0.00	0.00	380.00
3750.00	3730.00	NetScout	0.00	0.00	385.00
3800.00	3780.00	NetScout	0.00	0.00	390.00
3850.00	3830.00	NetScout	0.00	0.00	395.00
3900.00	3880.00	NetScout	0.00	0.00	400.00
3950.00	3930.00	NetScout	0.00	0.00	405.00
4000.00	3980.00	NetScout	0.00	0.00	410.00
4050.00	4030.00	NetScout	0.00	0.00	415.00
4100.00	4080.00	NetScout	0.00	0.00	420.00
4150.00	4130.00	NetScout	0.00	0.00	425.00
4200.00	4180.00	NetScout	0.00	0.00	430.00
4250.00	4230.00	NetScout	0.00	0.00	435.00
4300.00	4280.00	NetScout	0.00	0.00	440.00
4350.00	4330.00	NetScout	0.00	0.00	445.00
4400.00	4380.00	NetScout	0.00	0.00	450.00
4450.00	4430.00	NetScout	0.00	0.00	455.00
4500.00	4480.00	NetScout	0.00	0.00	460.00
4550.00	4530.00	NetScout	0.00	0.00	465.00
4600.00	4580.00	NetScout	0.00	0.00	470.00
4650.00	4630.00	NetScout	0.00	0.00	475.00
4700.00	4680.00	NetScout	0.00	0.00	480.00
4750.00	4730.00	NetScout	0.00	0.00	485.00
4800.00	4780.00	NetScout	0.00	0.00	490.00
4850.00	4830.00	NetScout	0.00	0.00	495.00
4900.00	4880.00	NetScout	0.00	0.00	500.00
4950.00	4930.00	NetScout	0.00	0.00	505.00
5000.00	4980.00	NetScout	0.00	0.00	510.00
5050.00	5030.00	NetScout	0.00	0.00	515.00
5100.00	5080.00	NetScout	0.00	0.00	520.00
5150.00	5130.00	NetScout	0.00	0.00	525.00
5200.00	5180.00	NetScout	0.00	0.00	530.00
5250.00	5230.00	NetScout	0.00	0.00	535.00
5300.00	5280.00	NetScout	0.00	0.00	540.00
5350.00	5330.00	NetScout	0.00	0.00	545.00
5400.00	5380.00	NetScout	0.00	0.00	550.00
5450.00	5430.00	NetScout	0.00	0.00	555.00
5500.00	5480.00	NetScout	0.00	0.00	560.00
5550.00	5530.00	NetScout	0.00	0.00	565.00
5600.00	5580.00	NetScout	0.00	0.00	570.00
5650.00	5630.00	NetScout	0.00	0.00	575.00
5700.00	5680.00	NetScout	0.00	0.00	580.00
5750.00	5730.00	NetScout	0.00	0.00	585.00
5800.00	5780.00	NetScout	0.00	0.00	590.00
5850.00	5830.00	NetScout	0.00	0.00	595.00
5900.00	5880.00	NetScout	0.00	0.00	600.00
5950.00	5930.00	NetScout	0.00	0.00	605.00
6000.00	5980.00	NetScout	0.00	0.00	610.00
6050.00	6030.00	NetScout	0.00	0.00	615.00
6100.00	6080.00	NetScout	0.00	0.00	620.00
6150.00	6130.00	NetScout	0.00	0.00	625.00
6200.00	6180.00	NetScout	0.00	0.00	630.00
6250.00	6230.00	NetScout	0.00	0.00	635.00
6300.00	6280.00	NetScout	0.00	0.00	640.00
6350.00	6330.00	NetScout	0.00	0.00	645.00
6400.00	6380.00	NetScout	0.00	0.00	650.00
6450.00	6430.00	NetScout	0.00	0.00	655.00
6500.00	6480.00	NetScout	0.00	0.00	660.00
6550.00	6530.00	NetScout	0.00	0.00	665.00
6600.00	6580.00	NetScout	0.00	0.00	670.00
6650.00	6630.00	NetScout	0.00	0.00	675.00
6700.00	6680.00	NetScout	0.00	0.00	680.00
6750.00	6730.00	NetScout	0.00	0.00	685.00
6800.00	6780.00	NetScout	0.00	0.00	690.00
6850.00	6830.00	NetScout	0.00	0.00	695.00
6900.00	6880.00	NetScout	0.00	0.00	700.00
6950.00	6930.00	NetScout	0.00	0.00	705.00
7000.00	6980.00	NetScout	0.00	0.00	710.00
7050.00	7030.00	NetScout	0.00	0.00	715.00
7100.00	7080.00	NetScout	0.00	0.00	720.00
7150.00	7130.00	NetScout	0.00	0.00	725.00
7200.00	7180.00	NetScout	0.00	0.00	730.00
7250.00	7230.00	NetScout	0.00	0.00	735.00
7300.00	7280.00	NetScout	0.00	0.00	740.00
7350.00	7330.00	NetScout	0.00	0.00	745.00
7400.00	7380.00	NetScout	0.00	0.00	750.00
7450.00	7430.00	NetScout	0.00	0.00	755.00
7500.00	7480.00	NetScout	0.00	0.00	760.00
7550.00	7530.00	NetScout	0.00	0.00	765.00
7600.00	7580.00	NetScout	0.00	0.00	770.00
7650.00	7630.00	NetScout	0.00	0.00	775.00
7700.00	7680.00	NetScout	0.00	0.00	780.00
7750.00	7730.00	NetScout	0.00	0.00	785.00
7800.00	7780.00	NetScout	0.00	0.00	790.00
7850.00	7830.00	NetScout	0.00	0.00	795.00
7900.00	7880.00	NetScout	0.00	0.00	800.00
7950.00	7930.00	NetScout	0.00	0.00	805.00
8000.00	7980.00	NetScout	0.00	0.00	810.00
8050.00	8030.00	NetScout	0.00	0.00	815.00
8100.00	8080.00	NetScout	0.00	0.00	820.00
8150.00	8130.00	NetScout	0.00	0.00	825.00
8200.00	8180.00	NetScout	0.00	0.00	830.00
8250.00	8230.00	NetScout	0.00	0.00	835.00
8300.00	8280.00	NetScout	0.00	0.00	840.00
8350.00	8330.00	NetScout	0.00	0.00	845.00
8400.00	8380.00	NetScout	0.00	0.00	850.00
8450.00	8430.00	NetScout	0.00	0.00	855.00
8500.00	8480.00	NetScout	0.00	0.00	860.00
8550.00	8530.00	NetScout	0.00	0.00	865.00
8600.00	8580.00	NetScout	0.00	0.00	870.00
8650.00	8630.00	NetScout	0.00	0.00	875.00
8700.00	8680.00	NetScout	0.00	0.00	880.00
8750.00	8730.00	NetScout	0.00	0.00	885.00
8800.00	8780.00	NetScout	0.00	0.00	890.00
8850.00	8830.00	NetScout	0.00	0.00	895.00
8900.00	8880.00	NetScout	0.00	0.00	900.00
8950.00	8930.00	NetScout	0.00	0.00	905.00
9000.00	8980.00	NetScout	0.00	0.00	910.00
9050.00	9030.00	NetScout	0.00	0.00	915.00
9100.00	9080.00	NetScout	0.00	0.00	920.00
9150.00	9130.00	NetScout	0.00	0.00	925.00
9200.0					

NYSE

Table with columns: NYSE, Wednesday's Closing, Tables include the previous day's closing prices up to the closing on Wednesday, and do not reflect late trades elsewhere. NYSE Associated Press.

Table with columns: 12 Month High, Low, Last, Change, Div, Yld Pct, PE, High, Low, Last, Change, Div, Yld Pct, PE, High, Low, Last, Change, Div, Yld Pct, PE. Includes various international stock listings.

Table with columns: 12 Month High, Low, Last, Change, Div, Yld Pct, PE, High, Low, Last, Change, Div, Yld Pct, PE. Includes various international stock listings.

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China's Giant Economy Feels More Growing Pains

Beijing Warns of Rising Unemployment

Compiled by Our Staff From Dispatches

BEIJING—China's unemployment rate will rise as efforts to cool the economy and implement market reforms take a toll on employers, a Labor Ministry official said Wednesday.

The number of urban unemployed at the end of June was 3.6 million, an increase of 9.1 percent from the same time last year, said the director of the ministry's employment department, Zhang Xiaojin, and the number of urban jobs was down by 1.1 million to 146.8 million.

But the official jobless rate remained low, at 2.3 percent, Mr. Zhang said. The figure does not include rural areas, where there are more than 100 million surplus laborers.

The official said unemployment would increase because of a new policy to rein in credit and push market reforms aimed at ending subsidies to state-owned enterprises.

"We expect the number of enterprises being shut and stopping production to be relatively large," Mr. Zhang said, adding that the situation was already "quite serious" in some sectors.

The flood of rural workers into cities was also a growing problem, he said, and measures were being drawn up to deal with it.

Mr. Zhang expressed confidence that the government could handle the expected rise in unemployment, but he said it could not "treat the problem lightly."

China's last wave of high unemployment was triggered by a three-year austerity program launched in late 1988. At its height, between 6 million and 7 million workers were idled.

The China Daily added in an article Wednesday that a crackdown ordered this month on speculative real-estate deals and loose credit would hit China's booming construction and manufacturing industries, throwing many laborers out of work.

Separately, China's Ministry of Metallurgical Industry, which oversees gold production, has told its producers to raise their output and sell their assigned quotas to the state, the China Daily said.

Under Chinese law, gold producers must sell the government a portion of what they produce at a fixed price, which is much lower than market rates. Some companies are choosing instead to sell more of their production at market rates rather than to the government, the paper said.

The state hopes to curb that practice by buying gold at \$4.56 yuan (\$9.55) a gram instead of the old price of 48 yuan. The world gold price is about \$12.60 a gram, the paper said. (AFP, Reuters, Bloomberg)

Authorities Crack Down on Capital Flight

BEIJING—China has launched a tough auditing and customs blitz on illicit capital flight, the official People's Daily reported Wednesday, as the yuan came under further pressure on Chinese currency markets.

Overseas investment projects will be subject to strict asset evaluation, an approval process and customs checks, under new regulations issued by the National Administration of State Property, the Foreign Trade Ministry and Chinese customs, the paper said.

The value of the yuan in the swap markets used by businesses to fill their foreign-exchange needs slipped Wednesday to 8.889 to the dollar in Beijing, from 8.8703 on Monday. Center officials declined to say whether the central bank had intervened.

Last month, China denied rumors it had ordered its overseas enterprises to repatriate funds to prop up the yuan, which has slipped 3.5 percent in the past two weeks on the national foreign exchange swap market in Beijing despite central bank support.

China does not publish figures for capital flight, but Chinese investment in Hong Kong is so heavy that Hong Kong's stock market suffered a major fall June 17, when the rumor about repatriation of funds came out. Many analysts suggest capital flight is the major reason for the yuan's current slippage in value.

Vice Premier Zhu Rongji's tough measures to control investment and cool the overheated economy prompted a 25 percent gain in the yuan's value early this month, almost wiping out the losses from June.

Wednesday's measures also more strictly regulate Chinese companies that have bought up small listed

Overseas investments, particularly in property, have been an attractive hedge against the yuan's devaluation.

Hong Kong companies, injected assets into them and then launched major share issues.

Overseas investments, particularly in property, have been an attractive hedge against the yuan's devaluation and inflation. They also provide a haven for funds from corrupt deals and a nest egg in the event of political unrest, analysts say.

There are three exchange rates in China: the official rate, which was 5.7468 to the dollar Wednesday, the swap-market rate and the black-market rate.

Investor's Asia

Source: Reuters, AFP

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Stock Traders Watch Deng Health Question Vexes Hong Kong Market

HONG KONG—With speculation swirling around the Hong Kong stock market on the deteriorating health of China's senior leader, Deng Xiaoping, the ghoulish business of assessing the likely market impact of his passing has begun once more.

Mr. Deng's "imminent" death has been the stuff of market-moving rumors for the better part of a decade. But analysts are once again spinning post-Deng-era market scenarios. And a case is being made that the loss of the supreme leader, rather than spooking the market, could be bullish for stocks if China's political transition goes smoothly.

"Deng Xiaoping's death is going to be the last big buying opportunity in Hong Kong before 1997," when Hong Kong reverts to Chinese rule, said David Whittall, investment analyst at Baring Securities in Hong Kong.

"If the army moves in, investors will be sidelined. But if Jiang Zemin and the current leaders seem secure, people are going to buy," he said. Mr. Jiang is China's president and general secretary of the Communist Party.

Indeed, investors are more likely to react to Beijing's efforts to control the torrid growth of the Chinese economy. While the 88-year-old Mr. Deng's reputation is legendary, his actual political clout these days is uncertain.

Should Mr. Deng's passing come in the next couple of weeks, it will not catch many investors off guard. The leader's death has been so thoroughly anticipated that while it may drag down stocks in the short-term, it will not have much long-range impact.

"If it happened tomorrow, we'd be down about 600 points and maybe stay around 6,000 for two weeks after that," said Barry Yates, director at Vickers Ballas brokerage. "But it wouldn't be a disaster, it would be a buying opportunity. People would buy at those levels." He was referring to the Hang Seng Index, which on Wednesday closed at 6,903.21, up 37.24 points.

One reason is that China's economy is growing at 14 percent this year, faster than any country in the world. Though the danger is real that it might overheat in the coming months, China is likely to be a hot investment play for some time to come.

Should political developments in China take a sudden and nasty turn, investors in Hong Kong would certainly feel some pain. The Tiananmen Square crackdown in June of 1989, when troops came into Beijing and violently cleared protesters from the streets, sent the territory's bourse into a tailspin. The day after the crackdown, the Hang Seng plunged 22 percent.

Although brokers now hesitate to guess how much the Hang Seng would drop on news of Mr. Deng's death, they all agree that the consequences will be short-lived.

Much of the market reaction would turn on how the inevitable power struggles play out among the rival factions in Beijing.

"How the Hong Kong markets take the blow depends on how fast Beijing can react," said Richard Wong, investment manager at Wardley Investment Services. "We're likely to see some sort of collective ruling body and if they seem in control, investors will relax."

Doubts Over Japan Rail Privatization

TOKYO—Brokers are getting ready to sell the largest number of shares in a Japanese privatization, but some analysts warned that investors are likely to be cool to the East Japan Railway Co. offering.

The offering of 2 million shares, or half the equity, of East Japan Railway, for an estimated 600 billion yen (\$5.63 billion), is the first part of the privatization of Japan National Railway. The system was split into seven railways in 1987, but a slumping stock market delayed the sale of shares in them to the public.

Some analysts warned that the 1.95 million-share sale of stock in Nippon Telegraph & Telephone Corp. in 1987 was still fresh in investors' minds.

"Investors certainly learned their lesson with NTT," said Shigen Akiba, head of equity trading at UBS Securities. NTT shares were offered at 120 million yen and jumped to a high of 3.18 million yen in April that year.

But many were burned when the stock slid to a low of 453,000 yen last summer, before the government announced steps to prop up the market. The shares closed at 887,000 yen on Wednesday.

Very briefly:

- Exxon Corp. and Mobil Corp. are holding talks with Tuntex Group, a major Taiwan company, to construct a 1.49-billion dollar (\$5.54 billion) petrochemical complex in Taiwan, a Tuntex spokesman said.
- Fujitsu Ltd. plans to invest about 200 million to 300 million yen (\$1.9 million to \$2.8 million) to set up a software firm in either Chandigarh, in the Punjab in northern India, or in New Delhi by next year.
- The Asian Development Bank plans to resume normal lending to Vietnam this year even if the U.S. trade embargo on Hanoi continues, a senior ADB official said. Separately, the Vietnam car manufacturer Mekong Corp. will open its second plant in Hanoi in August.
- Nintendo Co., Japan's largest maker of home video games, plans to set up its first overseas production plant in China next spring.
- Hong Kong's trade deficit widened to 27.76 billion Hong Kong dollars (\$3.58 billion) for the first six months of the year, an increase of 4.8 percent from the first half of 1992.
- Banking Bank Ltd., Thailand's largest commercial bank, reported an unaudited net profit of 3.27 billion baht (\$129.2 million) for the quarter ended June 30, an increase of 34 percent from a year earlier but a decline of 1.9 percent from the preceding quarter. (Bloomberg, AFP, Reuters, AFP, AP)

Taiwan's Travel Bill Soars

TAIPEI—Surging overseas travel spending may exceed Taiwan's trade surplus this year for the first time in more than a decade, officials said Wednesday.

The overseas travel boom is emerging as a major factor in upsetting the island's balance of payments, which slumped to its first deficit for 12 years in 1992, and is pushing down the value of the Taiwan dollar, the officials said.

Overseas travel by Taiwanese has soared in recent years with growing affluence and the removal of restrictions on travel to China.

A senior central bank official estimated that overseas travel spending rose to about \$4 billion in the first half of 1993, up 14 percent from a year ago. But Taiwan's trade surplus, hit by the weak global economy, plunged 37 percent in the same period, to \$3.3 billion.

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ICI: Earnings at 2 Companies to Show Results of Chemicals Restructuring

(Continued from page 9)

There, the impact of cost cuts and a stronger dollar will be boosted by increased sales on some of Zeneca's newer drugs.

For Sir Denis Henderson, the chairman of both ICI and the new company Zeneca, the logic of the split was inescapable. He said that ICI had all but exhausted the standard recession-beating options in the 1990s, a decade he described as "very different" and far less upbeat than the company had anticipated.

ICI had already gone down, as Sir Denis said in a recent interview, "the classic tighten your belt, hack back costs savagely, hold back capital spending, invest nonstrategic businesses route." Demerger, allowing two increasingly divergent

ways of enterprises to find their own way, was the next logical step.

Both companies face cloudy futures, however. While analysts expect Zeneca's earnings to rise at a rate of more than 10 percent a year through the middle of the decade, reforms in the health-care industry on both sides of the Atlantic have raised fears of tougher times ahead.

For ICI, the prospects are excellent once the recovery in the European chemical industry arrives, but the question is when. Its arrival date has been pushed back repeatedly in recent months, most recently by Germany's BASF AG, which on Tuesday put the recovery off until 1995 at the earliest.

But even though the overall pickup in business is widely touted as doubling ICI's profits over the next five years, that will be below peaks set in 1983.

Even worse for a region increasingly concerned with joblessness, Sir Denis predicted: "I expect you will never see a great pickup in employment with ICI or with Zeneca."

That prediction looks even bleaker when viewed against ICI's cuts of 23,000 jobs in the course of the recession.

As anemic as ICI's first-half results may look, they are expected to be considerably better than those posted by many of the company's Continental competitors. Alastair Kilgour, an analyst with BNP Securities in London, anticipated that first-half profit for some of Europe's biggest chemical makers

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Chg
110	105	IBM	5.00	4.5	12	100	110	105	108	3
100	95	Microsoft	0.00	0.0	15	100	100	95	98	3
90	85	Oracle	0.00	0.0	18	100	90	85	88	3
80	75	Intel	0.00	0.0	20	100	80	75	78	3
70	65	Sun	0.00	0.0	25	100	70	65	68	3
60	55	HP	0.00	0.0	30	100	60	55	58	3
50	45	Cisco	0.00	0.0	35	100	50	45	48	3
40	35	Verizon	0.00	0.0	40	100	40	35	38	3
30	25	AT&T	0.00	0.0	45	100	30	25	28	3
20	15	WorldCom	0.00	0.0	50	100	20	15	18	3
10	5	Comcast	0.00	0.0	60	100	10	5	8	3

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AMEX

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Latest	Chg
100	95	IBM	5.00	4.5	12	100	100	95	98	3
90	85	Microsoft	0.00	0.0	15	100	90	85	88	3
80	75	Oracle	0.00	0.0	18	100	80	75	78	3
70	65	Intel	0.00	0.0	20	100	70	65	68	3
60	55	Sun	0.00	0.0	25	100	60	55	58	3
50	45	HP	0.00	0.0	30	100	50	45	48	3
40	35	Cisco	0.00	0.0	35	100	40	35	38	3
30	25	Verizon	0.00	0.0	40	100	30	25	28	3
20	15	AT&T	0.00	0.0	45	100	20	15	18	3
10	5	WorldCom	0.00	0.0	50	100	10	5	8	3

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SPORTS BASEBALL

Orioles Are True to Form In 6-5 Loss to Blue Jays

By Mark Maske
Washington Post Service
TORONTO — The year doesn't seem to matter. The circumstances don't seem to matter. The score, really, doesn't seem to matter. Somehow, the Baltimore Orioles will find a way to lose in the Sky-Dome.

This time, the Toronto Blue Jays rallied with three runs in the bottom of the eighth inning for a 6-5 triumph over the Orioles on Tuesday night that dropped them 2½ games behind the leaders of the American League East.

The Orioles appeared to be on their way to what felt like an important victory when Cal Ripken hit a three-run home run over the

left field wall against closer Duane Ward with two outs in the top of the eighth. That gave the Orioles a 5-3 lead.

No matter. They lost to the Blue Jays in Toronto's final at-bat for

AL ROUNDUP

the 12th time since the final series of the 1989 season, with nine of those excruciating defeats coming here.

"I think 1989 really got this rivalry going," said the Blue Jays' manager, Cito Gaston. "For the last few years we've seemed to have their number in the late innings. But I can remember when it was the other way around."

The Orioles' starter, Rick Sutcliffe, got Roberto Alomar to ground out to open the bottom of the eighth. But Paul Molitor beat out an infield hit, Joe Carter singled off Mark Williamson, and John Olerud's opposite single off Jim Poole — capping a two-for-three evening that left his batting average at .403 — loaded the bases.

Closer Greg Olson came out to strike out Tony Fernandez, but Ed Sprague pulled a line-drive double into the left field corner to make it 5-3. Then Ripken made a diving stop of Pat Borders' bounce up the middle, but the shortstop's throw from his knees was too late to get Borders as he dove head first into the bag at first and Olerud scored the decisive run.

"That was ugly," said Borders, whose lip was cut when his helmet flew off and hit him in the mouth. "If you watch the replays, you know I don't practice that slide very much."

Ward walked Harold Reynolds and Tim Lincecum to give the Orioles runners at first and third with one out in the ninth, but Brady Anderson popped out and Mark McLemore struck out.

In other games, The Associated Press reported:

Yankees 5, Tigers 2: Danny Tartabull's homer in New York's four-run second gave Jim Abbott all the support he needed to win in Detroit for the first time in four years.

Brewers 3, Red Sox 2: Jaime Navarro gave up only five hits for eight-plus innings for his first victory since 1991's 16 and Robin Yount hit his 250th homer in the majors as Milwaukee beat the visiting Boston Sox for a second straight game.



Shortstop Pat Listach and Billy Hatcher had a laugh as Hatcher was tagged out, but the Red Sox weren't smiling after a 3-2 defeat.

Mariners 10, Twins 8: Ken Griffey Jr. extended his home run streak to seven games — one shy of the major-league record set by Dale Long and tied by Don Marlin — with a long grand slam and Seattle held on after visiting Minnesota rallied from 7-0 and 8-3 deficits.

White Sox 7, Indians 4: Frank Thomas went 4-for-4 with two homers and five RBIs and Jack McDowell became the majors' first 16-game winner as Chicago, playing at home, won its 13th in the last 18.

Thomas, 11-for-18 (.611) with four homers and nine RBIs in his last five games, hit a solo homer in the sixth and a three-run shot an inning later to rally the White Sox from a 4-2 deficit.

Angels 15, Athletics 8: Tim Lincecum homered twice and drove in four runs and Chad Curtis had four hits and four RBIs as California beat visiting Oakland to end its losing streak at 10 games.

Kruk's Bat Too Much For Cards

The Associated Press
John Kruk gave the Philadelphia Phillies just what they needed. He went 5-for-5 and drove in three runs as the Phillies, playing at home, began their key series against St. Louis by beating the Cardinals, 10-7, Tuesday night.

Dave Hollins added a two-run homer as the Phillies expanded their lead over the Cardinals to five games in the National League East.

Each of Kruk's five hits was off a different pitcher. "We didn't pitch too good tonight," he said. "But we scored more runs so we win." The Phillies also scored two runs on a double error by right fielder

NL ROUNDUP

Mark Whiten and another on reliever Todd Busch's ball. Kruk said the Phillies weren't seeking to avenge the beating they took in losing three of four in St. Louis at the end of June.

"There is no change," he said. "We still talk trash and listen to the same music. Oh, maybe some guys are a little more serious than normal."

St. Louis starter Joe Magrane lasted just one inning-plus, allowing five hits and five runs. The right-hander has given up 22 hits, five of them home runs, and 17 runs for a 21.86 earned-run average in seven innings in his last three games.

Tommy Greene started for the Phillies but had to leave after 2½ innings when he strained a muscle in his right groin.

Braves 10, Rockies 5: Fred McGriff hit two homers, one his first inside-the-park homer in the majors, and drove in four runs as Atlanta beat host Colorado.

The Braves got four runs in the ninth, when McGriff hit a two-run triple that just missed going over the wall.

John Smoltz pitched four-hit ball over eight innings as the Braves won for the seventh time in eight games since McGriff's arrival. Since then, McGriff has six homers in 35 at-bats, the Braves have scored 81 runs but, despite the streak, are still eight games behind San Francisco in the NL West.

Giants 3, Dodgers 2: John Burkett became the NL's first 15-game winner, holding visiting Los Angeles to three hits for eight innings.

The Giants reached the Dodgers' starting, Kevin Gross, for three runs and eight hits in the first four innings, and twice left the bases loaded.

Padres 8, Cubs 0: Andy Benes pitched a five-hitter and Tony Gwynn had five hits and drove in three runs as San Diego won in Chicago.

Mets 4, Marlins 3: Jeff Kent's second homer of the game, leading off the bottom of the seventh, got New York past visiting Florida. Kent also hit a three-run shot in the fourth.

Expos 8, Pirates 6: Pinch-hitter Lou Lrazier singled in the tiebreaking run in a two-run eighth as Montreal won in Pittsburgh after blowing a 4-0 lead.

Astros 6, Reds 5: Kevin Bass hit a three-run homer as Houston beat visiting Cincinnati.

Just One Hit (a Long One) Sabotages Royals' Pitcher

The Associated Press
KANSAS CITY — It was a game that Kevin Appier will always remember, but try to forget.

Rafael Palmeiro's 21st home run of the season, in the seventh inning, ended Appier's no-hit bid Tuesday night and gave the Texas Rangers a 4-0 victory over the Kansas City Royals.

Palmeiro's home run on a 1-0 pitch was the only hit Appier (11-5) allowed in pitching his third complete game of the season. He had allowed only one walk and retired 16 straight before the drive into the Royals' bullpen.

"That's one of the best pitching performances I've seen all year; no, it was the best," Palmeiro said. "We really had our hands full. I was not trying to hit the ball out of the park; I was just trying to hit it somewhere."

Appier, who had won six straight, was perfect until he walked Dan Peltier on a 3-1 count with one out in the sixth. Peltier, however, was thrown out stealing on the next pitch.

Appier fanned two Rangers in each of the first three innings and finished with a career-high 11 strikeouts, at least one in every inning.

Until the homer, the only thing close to a hit for Texas was Dean Palmer's line drive to third baseman Phil Hiltz with one out in the second.

If It's a Scrimmage on TV, It Must Be Washington in July

By Tony Kornheiser
Washington Post Service

WASHINGTON — I'm wondering what it's like in other cities when the local National Football League team scrimmages. Take New York, for example. Do you think traffic stops on the Upper East Side so folks can keep abreast of whether Brad Baxter made the right read on his cut-back block in the seven-on-seven drill? Do you think there's a backup on the Major Deegan Expressway because people are waiting to find out whether Myron Guyton can still cover the fade route on the

Vantage Point

right play in a 10-play series? Do you think there is full TV coverage in New York of a Jets or Giants scrimmage? Do you think anyone in New York even knows when the Jets or Giants scrimmage?

But here, Channel 7 would preempt the Gulf War to put on a Redskins scrimmage — and if Channel 7 didn't, Channel 5 gleefully would — with three men in the booth, another on the sideline and 800 players and coaches miked; I'm shocked. Shocked.

Newscast 8, where I always turn to keep up with any late-breaking school board news in Chantilly, Virginia, has the rights to replay the scrimmages the next day. (That's where you separate the true geek from the total moron — watching the rebroadcast of a scrimmage.)

Where are we, the moon? It's a scrimmage!

It's July. Desmond Howard hasn't broken a bone yet. Heck, it's so early Desmond hasn't even gotten onto the field yet — he's still recovering from an off-season injury.

What could you glean from watching that scrimmage? Nothing about offense or defense. The only thing you could know for a fact was that Richie Petitbon did not spend the entire spring pushing away from the rib rack at either of the Peitbon's Grill and Bar restaurants.

But folks are already talking about the two-back offense. You can hear them all around town, hyperventilating:

"Wow! Two backs."
"Can you believe it? We're using two backs." Excuse me, it's not like Rod Dowhower just discovered penicillin. Two backs is not unknown in the NFL. It's not particularly radical. When they line up a llama at H-back, let me know.

Actually, I'm quite excited about the upcoming NFL season. I'm glad to see Bill Parcells coaching again. He told the New England Patriots he'd cut anyone who didn't run a mile-and-a-half in 12 minutes. I love that, because Parcells himself, who looked like a Dove Bar on the Giants' sideline, couldn't go a mile-and-a-half in 12 minutes without a golf cart.

Parcells isn't the only tough guy. Rich (See No Evil, Hear No Evil, Speak No Evil) Kotite has told the Philadelphia Eagles that anybody who bad-mouths the team to the press will be fined. Of course, this violates the Constitution of the United States, but I guess one of the Founding Fathers had to work for Norman Braman.

John Elway had had stuff to say about his former coach, Dan Reeves. He said "it was hell" the last few years in Denver with Reeves. Reeves reciprocated by saying, "Well, it wasn't Heaven." How bad was it? Was it Des Moines after the river crested?

With free agency, players have moved all over the place. The one Washington lusted after, Reggie White, is in Green Bay. Apparently, it's a tradition at the Packers' training camp that kids line up with bicycles after practice for the honor of ferrying the players to the dorms. Players sit on the back of these bikes, and kids pedal. Sterling Sharpe, fine; he's light. But what if you get Reggie? I can't imagine that kid gets out of first gear.

THIS IS THE FIRST year we really can't tell the players without a scorecard. It's amazing how many quarterbacks moved around. Joe Montana led it off, by going to Kansas City. Mark Vlasic, who couldn't beat out Dave Krieg at Kansas City, could hardly expect to beat out Montana, so he went to Tampa Bay, filling the roster spot vacated when comatose Vinny Testaverde fled Tampa Bay to rejoin his Miami Hurricanes teammate Bernie Kosar at Cleveland, where the quasi-life-like Mike Tomczak bailed out for Pittsburgh to back up Neil O'Donnell, who'd beaten out Bubby (It's Short for Bubba) Brister, who moved to Philadelphia, which had a vacancy because punk doofus Jim McMahon had gone to Minnesota, where Rich Gannon and Sean (Minnie Mine Modu) Salisbury failed to make Dennis Green swoon.

Still with me? Wade Wilson, who quartered at Minnesota before Gannon, then went to

Atlanta, left Atlanta for New Orleans, completing, in effect, a trade, as Bobby Hebert, who bore the brunt for playoff failures in New Orleans, opted to go to Atlanta. When Dan Reeves chose Phil Simms over Jeff Hostetler on the Giants, Hostetler left for the Los Angeles Raiders, who haven't had a good quarterback in 10 years, making the abominable Jay Schroeder expendable. So Schroeder went to Cincinnati, replacing another ash blond, Boomer Esiason, who had gone home to New York and the Jets, forcing Ken O'Brien to leave for Green Bay to back up current wiz kid Brett Favre, who had decisively beaten out former wiz kid Don Majkowski, who's own in Indianapolis because Jeff George, who hasn't liked anything since eighth grade, is whiny and recalcitrant about showing up.

Scott Scully, who wouldn't have gotten a snap in Miami as long as Dan Marino had a pulse, went to New England, where, presumably, he can run a mile-and-a-half in 12 minutes. And Steve Beuerlein, who'd been a backup at the Raiders and Dallas, sold himself to Phoenix, where the bot rumor about the human tub of Ben-Gay, Timm Rosenbach, is that he's retiring — to join the rodeo!

Imagine that, the guy hasn't played two consecutive downs in the NFL without an ambulance, and he's thinking of joining the rodeo. I hope he wears a safety cord when he attempts to ride the bucking broncos, because without it, he's in traction. This guy needs an air bag to get out of bed in the morning. How come nobody televises his scrimmage?

NFL President Sees New WLAFF in '94

The Associated Press

BARCELONA — The World League of American Football, which suspended play after losing about \$20 million in two seasons, could resume play in the spring of 1994 with an all-European format if National Football League clubs give the green light next month, the NFL's president, Neil

Austrian, said Wednesday. Austrian said two "international media partners" had approached the NFL with joint-venture proposals. He said he hoped a concrete offer would be made to NFL club owners in September. He declined to name the partners.

Austrian said any restarted WLAFF would probably have six European-based teams, in Barcelona, Düsseldorf, Frankfurt and London, and possibly Madrid, Amsterdam, Manchester and Liverpool. He said any new WLAFF would be owned and operated by the NFL clubs, and speculated that a second step in "three or four years" might see the WLAFF adding teams in Hong Kong, Singapore, South Korea and Japan.

The NFL-financed WLAFF, which suspended play after the '92 season, had three European-based teams and seven in the United States. The U.S. teams were a failure, while the teams in Frankfurt, Barcelona and London were generally successful.

"We made a lot of mistakes the last time," said Austrian, in Barcelona for Sunday's American-Bowl game between the San Francisco 49ers and Pittsburgh Steelers. "It was, and is, our interest that the World League will come back."

DENNIS THE MENACE

PEANUTS

BLONDIE

CALVIN AND HOBBES

WIZARD of ID

JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

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MAGITS

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ART BUCHWALD

The Revolving Door

WASHINGTON — My nominee for the 1993 "Revolving Door Man of the Year" goes to Abraham Sofaer...



Beijing Bans Film After Premiere

BEIJING — Hundreds of screaming fans mobbed director Chen Kaige at the Chinese premiere of "Farewell to My Concubine"...

they strongly opposed in the past. It is called "having your cake and a large retainer, too." The reason I chose Sofaer for this distinction is that after giving Reagan the green light to bomb the hell out of Libya...

Bayreuth Opens With Angst and Geometry

By John Rockwell

BAYREUTH, Germany — The opening of the Bayreuth Festival is a great annual German occasion, equivalent to sports events elsewhere like the Super Bowl...



Siegfried Jerusalem, left, and Waltraud Meier in title roles of "Tristan und Isolde."

Having disposed of the central metaphor of the opera, Müller moved on. For him, the depiction of love onstage would be ludicrous; instead, he invented a scenario whereby Isolde, an almost godlike fertility figure, redeems Tristan from his torment...

Otherwise, it was all alienation and abstraction. Particularly in the second act, normally a love scene in a garden but here laid out in patterns that made for narrow aisles, which in turn created horizontal trellis shapes...

As for the long-awaited debuts of Meier and Jerusalem, the audience was ecstatic, so much so that Jerusalem excitedly hugged and kissed his partner several times during the curtain calls...

PEOPLE

Political Book-Making: Mom Has Inside Track

President Bill Clinton's mother, Virginia Kelley, has the inside track on tell-all Clinton-era books. The Washington Post reports that the First Mom has signed a contract with Simon & Schuster to pen her memoirs...

Tamper with the image of Miss America? The beauty pageant's chief executive Leonard Horn and broadcast producer Jeff Margolis plan to give contestants a new look come September...

An author and record producer who claims to have proof that Elvis Presley is alive has filed a lawsuit in Dallas against Elvis Presley Enterprises...

The promoter of two planned Michael Jackson concerts in Taiwan in September is taking out a \$5.2 million insurance policy in case Jackson backs out...

INTERNATIONAL CLASSIFIED

WEATHER

Weather forecast for Friday through Sunday, as provided by Accu-Weather. Includes maps for Europe, North America, Asia, Africa, Middle East, and Latin America with temperature and precipitation data.

CROSSWORD

Crossword puzzle with clues and grid. Clues include: 1. Hoofbeats, 2. Vigorous, 3. D'Arnyman specialty, 4. Bakal's aide, 44. On the... (precisely), 45. Lovers' meeting, 46. Opera by Salieri, 47. Tom Mix's horse, 48. R. E. Lee's, 51. Scripps, 54. Mythical winged horse, 56. Mounted procession, 60. Lanai, 61. Film star Tamara, 62. Ending for amend, 63. Div or Yerry, 64. TV part, 65. Sundowns, to Shuley, 66. Knight's armor piece, 67. Plug of tobacco in 20 across, 68. The... Range, 69. Goshes' sashes, 69. White-plumed bird, 70. Shoo's cousin, 71. Bacon's crusty, 72. Ancient strongboxes, 73. Magpie and Mirco, 74. They preyed on Puffins, 75. Rational, 76. Ho or Knotts, 77. Director Kenton.

If you're going to travel all over the map, here's how to call from almost any point on it.



AT&T Access Numbers table listing international phone numbers for various countries including Andorra, Armenia, Austria, Bahrain, Belgium, Cape Verde Islands, Croatia, Cyprus, Czech Republic, Denmark, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Kenya, Kuwait, Lebanon, Liberia, Lithuania, Luxembourg, Malaysia, Maldives, Malta, Mexico, Monaco, Netherlands, New Zealand, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Russia, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, USA, and Zimbabwe.

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